DAILY REPORT

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SRI LANKA FOREIGN MINISTER'S DEPARTURE COMMENTS

AU201510 Sofia BTA in English 0840 GMT 20 Dec 80

[Text] Sofia, 20 Dec (BTA)--Sri Lanka's minister for foreign affairs, Mr Abdul Carder Shamum Hameed, defined his visit to Bulgaria as successful and fruitful.

Today, before his departure from Sofia, he said that his visit proceeded in a friendly and warm atmosphere and expressed the conviction that it would contribute to the further bringing closer of the two peoples.

Sri Lanka's foreign minister informed that during the talks with his Bulgarian counterpart, Mr Petur Mladenov, and other Bulgarian high officials, those spheres in which Bulgaria and Sri Lanka were interested in cooperating had been discussed and specified. Mr A.C. Shamum Hameed added: "We discussed the possibility for setting up joint enterprises and joint entry to third markets." He also said: "We are interested in setting up a free-trade industry in our area, since we will be able to solve the unemployment problem in Sri Lanka and to use the qualified personnel we have." He pointed out that there are also possibilities for cooperation in the field of agriculture and some projects have been discussed.

The minister continued: "It is true that when we speak of economic cooperation we should consider several factors--the long distance between the two countries, the degree of development and accomplishment of your economy and industry, and at the same time Sri Lanka's limited market possibilities. So we did take into account these factors", explained he.

Emphasizing that the cultural cooperation between Bulgaria and Sri Lanka has already been initiated, Mr Abdul Carder Shamum Hameed said that at the talks he had here with Mrs Lyudmila Zhivkova, chairman of the Committee for Culture, they had tried to find out new and wider spheres for the further development of the cultural ties between the two countries.

Departure 20 Dec

AU201511 Sofia Domestic Service in Bulgarian 1000 GMT 20 Dec 80

[Text] Abdul Carder Shamum Hameed, minister of foreign affairs of the Democratic Socialist Republic of Sri Lanka, has left Bulgaria. He had paid an official and friendly visit to Bulgaria for a few days at the invitation of Petur Mladenov, minister of foreign affairs.

At Sofia airport Abdul Carder Shamum Hameed was seen off by his Bulgarian colleague Petur Mladenov and by high-ranking officials of the Ministry of Foreign Affairs.

TRADE MINISTER MEETS FRENCH OFFICIALS IN PARIS

AU191715 Sofia BTA in English 1440 GMT 19 Dec 80

[Text] Paris, 19 Dec (BTA)--Bulgaria's Minister of Foreign Trade Khristo Khristov, who was here on an official visit, had meetings and talks yesterday and today with the French Foreign Trade Minister Michel Cointat. They discussed matters pertaining to the preparations for a trade and economic cooperation agreement between Bulgaria and France in the next 5 years. The two ministers made a positive assessment of the development of bilateral relations in this sphere and outlined some specific measures for activating the trade and industrial cooperation between Bulgarian and French foreign trade and economic organisations in the 1981-1985 period. Minister Khristo Khristov also met Mr Jean-Pierre Prouteau, secretary of state for small and medium-sized industries. Matters of the cooperation of the smaller and average French enterprises and firms with the Bulgarian industry were discussed, including questions of the cooperation in the construction, reconstruction and updating of Bulgarian consumer-good production enterprises. The Bulgarian minister also conversed with the presidents of French firms such as "Dreyfus", "Seita" "Technip", "Cifal", "Saurice" and [word indistinct].

NATO SUPPORTS ANTISOCIALIST ELEMENTS IN POLAND

LD200105 Bratislava Domestic Service in Slovak 1730 GMT 19 Dec 80

[Text] And now about the situation in Poland. It is well known that a section of the Western communications media is doing its utmost to destabilize the situation in Poland, creating about that country an atmosphere of endangerment and uncertainty. A part of this policy is the help reactionary circles in the West are providing in support of the anti-socialist forces in Poland. What is hidden behind that policy is the subject of the following dispatch from Warsaw by Frantisek Sojka, our correspondent in the Polish capital:

The attention devoted in NATO countries to Poland, one of the Warsaw Pact member-countries, has justifiably aroused the interest even of those people who do not know a great deal about politics or who are simply not interested in it. Why such an increased interest and almost touching concern? One does not have to look for the reasons. They are the traditional hatred of socialism and anti-Sovietism. Only the pretext is new; it is the current situation in Poland. In reality what is at issue in the West, and this has been confirmed also by the bouregois press and by individual representatives, is to defend anti-socialist forces, to create possibilities enabling them to exert their influence on an even border scale and to make them feel that west of the Polish borders they are enjoying all-round support.

This sentiment was expressed quite succintly by West German television. Everything allegedly depends on what will happen in Poland in the coming days. If the communists succeed in consolidating their rule and strengthening their internationalist ties with their neighbors, then any greater Western economic aid to Poland would simply not pay off. The Italian newspaper CORRIERE DELLA SERA wrote that the EEC member-countries and the United States are striving, each in their own way, to manipulate the crisis-ridden situation in Poland with a view to aggravating difficulties and bringing about a disintegration in the countries of the socialist community.

In this effort the reactionary forces in the West have their loyal allies among the enemies of the socialist system in Poland itself. The antisocialist grouping, the so-called KOR [Committee for Social Self-Defense], has ranked high among them for a number of years. Its most notable representatives are Messrs Michnik and Kuron. The former, in September of this year, called on the West to put forth political demands in talks about economic relations with the socialist countries. A few days ago Adam Michnik, during a meeting with philological students of the University of Wroclaw, slandered and criticized the Soviet Union and sharply attacked Poland's alliance ties and the party's policy.

Jacek Kuron, the other representative of the so-called KOR, did not stay far behind his artful colleague. He described as the principal task of the antisocialist forces the transformation of economic demands into political ones, and furthermore said: We shall have step by step to restrict the areas of socioeconomic life which are under the control of the party and government apparatus.

One cannot therefore wonder that these and similar people, openly challenging the socialist system in Poland, have found an enthusiastic response in the West and that the NATO member-countries are rendering all-round support to these forces.

COMMENTATOR VIEWS NEED FOR POLISH STABILITY

AU191952 Bratislava PRAVDA in Slovak 18 Dec 80 p 7

[Pavol Minarik article: "When Strauss 'Gives Away' a Million; Motives of Hostile Activity Against Poland"--capitalized passages published in boldface]

[Excerpts] An old, wise proverb says that a friend in need is a friend indeed.

TODAY, WHEN A BATTLE FOR THE SOCIALIST NATURE OF RENEWAL IS GOING ON IN POLAND, THIS IS DOUBLY TRUE. THE COUNTRIES OF THE SOCIALIST COMMUNITY ARE HELPING AND SUPPORTING IT IN EVERY WAY (WE HAVE INFORMED OUR READERS ABOUT THIS TIME AND AGAIN). THE POLISH COMRADES DEEPLY APPRECIATE THIS ASSISTANCE.

But one also gets to know one's true enemies in difficult moments. One of them is Franz Josef Strauss, representative of the FRG's capital and its military-industrial complex, who came out in the last days of this September with a proposal to grant a "large sum of money" to Polish working people. Up to now this had not entered his mind; but at present, when the Polish trade union movement has crumbled and the antisocialist forces have raised their heads, THE FEELING OF "SOLIDARITY" MADE ITSELF HEARD IN HIM.

The ardent adversaries of detente understand very well that in the present political situation, given the existence of the firm shield of the socialist community's countries--the Warsaw Pact--all and any combinations or calculations with the use of force are unfulfillable dreams. That is exactly why they are striving, with the aid of various methods, to make use of our Polish friends' difficulties for their own egotistic goals, aimed against peace and progress.

Contrary to the strictly confidential financial assistance to the new Polish trade unions, the [illegible]us "advice" given to "Solidarity" by the FRG press and spread by the heckling tra[illegible]tters Radio Free Europe [RFE], Radio Liberty and other broadcasting stations is quite public. After the Gdansk agreements were signed, RFE quickly ADJUSTED TO THIS NEW SITUATION and started another phase of its subversive activities, mostly manifested by the endeavor to "direct" the orientation of the new disposal of antisocialist attacks launched by the so-called committee for political and social self-defense (KOR). At the same time it is striving to patronize forces which regard the "Solidarity" trade union as the embarcation point for disintegrating the social system in Poland. The RFE broadcasts to Poland are characterized by offensive anti-Sovietism, which convincingly illustrates the intentions of the subversive centers which NATO had set into motion against the Soviet Union, Poland and other socialist countries.

By its constant loud reiteration of hackneyed anti-Soviet slogans, the RFE's Polish editorial section is openly inciting the relaxation of ties binding Poland to its neighbors, and especially the Soviet Union. The RFE's concepts fully correspond to the declarations of revanchists in the FRG, who harbor similar illusiong and hopes. The RFE and those directing it would like to foist on Poland--regardless of international customs, of the Polish people's sovereign rights or of the relevant stipulations of the Helsinki Final Act--their own program of a gradual elimination of socialism. In this point in particular, their antisocialist impulses meet the analogous efforts of the domestic enemies of the socialist system in Poland.

Behind the smokescreen of "Polish problems" and the alleged "Soviet threat," the NATO political and military leadership a few days ago in Brussels discussed the details of the deployment of American nuclear missiles in Western Europe. The alleged external threat to Poland from the East, and the increased tension in Europe allegedly connected with it, were a pretext for the NATO hawks to strengthen feverish armament in NATO. The hullabaloo around the alleged Soviet threat is meant to divert attention from THE DISARMAMENT DELIBERATIONS IN VIENNA AND IN MADRID, WHERE THE POLISH PEOPLE'S REPUBLIC, SUPPORTED BY THE ALLIES, SUBMITTED THE PROPOSAL TO CONVENE A CONFERENCE ON MILITARY DETENTE AND DISARMAMENT IN EUROPE in autumn 1981 in Warsaw. This motive became a pretext for Washington to adopt a negative stand toward Leonid Brezhnev's proposal on guaranteeing the security of the Persian Gulf. Thus the situation in Poland is again being abused for diverting world public attention from the true causes of the escalation of the present anti-Soviet campaign. [paragraph continues]

The reactionary circles are complementing this by threatening a possible freeze of trade between the East and the West, and a blockade of certain socialist countries. The very same Atlantic circles would like to evoke an "isolation syndrome" for Poland, in the interests of their own goals. It is, in fact, a war of nerves, conducted at Poland's expense against the military defense grouping--the Warsaw Pact.

The range of attempts to interfere in the internal affairs of the Polish People's Republic is broad. It includes "good advice from the impartial," as well as manifestations of excessive "concern for the Poles' welfare," and ends in slander, agitation and maintaining an atmosphere of malfeasance and incitement of conflicts. These tendencies are making the renewal process in Poland more difficult. They are increasing tension, which at this moment makes the consolidation of forces that is so greatly necessary, and activities aimed at improving the difficult situation, very complicated. This kind of activity harms Poland's interests.

Due to the postwar development in Europe Poland has, on all its borders, allies to whom it is bound--APART FROM MULTILATERAL COOPERATION--ALSO BY THE TASKS OF A COMMON COURSE. Only a state that is internally in order and that is stable economically and politically may fulfill all its allied commitments.

It is in the interests of the socialist community, as well as in the interests of Poland itself, to solve all of today's problems in an atmosphere of calm, prudence and responsibility. MEMBERSHIP IN THE SOCIALIST COMMUNITY IS THE GUARANTEE OF POLAND'S SECURITY AND OF THE INVIOLABILITY OF ITS BORDERS. It is the shield of the calm process of socialist renewal, set up at the sixth and seventh PZPR Central Committee plenums.

## JOURNALISTS SUPPORT WARSAW PACT CONCLUSIONS

AU191926 Prague RUDE PRAVO in Czech 17 Dec 80 p 2

[Text] Roztez, 16 Dec (CTK)--The expanded ninth session of the Czechoslovak Journalists Union's [CJU]--Central Committee this Tuesday in Roztez near Kutna Hora discussed the tasks following from preparations for the 16th CPCZ Congress for the CJU and all journalists.

The report of the CJU Central Committee Presidium, submitted by its chairman, Josef Valenta, stresses that the journalists' duty is to aid, with all their work, the mobilization of the forces of the party and society. The journalists' duty is also to contribute in the course of preparations for the 16th CPCZ Congress, toward consolidating the unity of socialist society; toward intensifying the leading role of the party, its authority among the masses and its ties with the people; and toward a deeper understanding of the new tasks.

The CJU Central Committee also highly appraised the prudent and determined words on the tense international situation which resounded at the beginning of December at the Moscow meeting of leading party and state representatives of the Warsaw Pact member countries. It expressed full support for the conclusions of this meeting.

## REPORTAGE ON FRG MINISTER GENSCHER'S VISIT

### Talks With Chnoupek

LD191500 Prague Domestic Service in Czech 1130 GMT 19 Dec 80

[Text] Talks between Minister of Foreign Affairs Bohuslav Chnoupek and Hans-Dietrich Genscher, federal minister of foreign affairs of the FRG, continued in Cernin Palace in Prague today.

Both sides confirmed the usefulness of the talks for strengthening relations between Czechoslovakia and the FRG and expressed their desire for the further development of these relations.

Hans-Dietrich Genscher invited Bohuslav Chnoupek to pay an official visit to the FRG. The invitation was accepted with thanks.

At the end of the talks Minister of Foreign Affairs Bohusl[illegible]hnoupek and Hans-Dietrich Genscher, federal minister of foreign affairs of the FRG, signed a treaty between the CSSR and FRG on preventing dou[illegible]e taxation in the field of taxes, income and property.

DPA on Visit

LD191418 Hamburg DPA in German 1239 GMT 19 Dec 80

[Text] Prague (DPA)--Apart from growing Western concern about the worsening international situation which has been vigorously expressed by Federal Foreign Minister Genscher during his visit to Prague, much space during the second day of the talks was devoted to German-Czechoslovak relations. Genscher stressed today that although relations have developed positively overall since the conclusion of the 1973 German-Czechoslovak normalization treaty, many improvements are still necessary.

The minister, who has invited his opposite number Bohuslav Chnoupedk to visit the Federal Republic next year, singled out three major concerns of the German side: better working facilities for German journalists in Czechoslovakia; intensification of cultural exchanges; and care of war graves. On the first day of his visit Genscher laid a wreath on a German war grave in Prague.

According to a spokesman of the Federal Foreign Ministry Genscher made it clear concerning the work of German journalists in Czechoslovakia that it would help factual reporting if the Czechoslovak authorities were to issue more permanent visas.

The cultural agreement signed in 1978 has not proved very fruitful to date as far as the Federal Republic's presence in Czechoslovakia in this sector is concerned. A week of German culture on the model of those already held in Hungary, Romania and Bulgaria is envisaged for next year in Prague.

The "multitude of bilateral topics," as a Foreign Ministry spokesman said, furthermore includes a "desirable specific deepening" of the contacts between the parliaments, an extension of town-twinning and an intensification of youth and sports exchanges. According to Czechoslovak figures 9,000 young federal citizens visited Czechoslovakia in 1980 under the youth exchange program. The first twinning arrangement came into force only with year between Wuppertal and Kosice. A further twinning arrangement between Tabor and Konstanz is under discussion.

Bonn also pleaded for easier travel facilities such as a relaxation of border formalities, lower visa charges and compulsory minimum exchange rates. Prague has intimated that it would prefer to enlarge the five existing border crossing points before opening two new points. Bonn takes a relatively favorable view of the development of travel. In 1979 some 400,000 Germans visited Czechoslovakia and 125,000 Czechoslovak citizens the Federal Republic.

In the economic sphere both sides see possibilities of further development, for instance, in direct cooperation between enterprises (to date 23 such arrangements are in force) and "joint ventures" [in English] for export to third countries. In contrast with other East European states, the "joint venture" form of cooperation does not yet exist with Czechoslovakia.

Genscher, who is due to be received today by head of state and party Gustav Husak and whose 3-day visit is the first by a Western politician since the worsening of the Polish crisis, will fly back to Bonn via Bratislava tomorrow.

Reported Visit With Archbishop

LD191500. Hamburg DPA in German 0957 GMT 19 Dec 80

[Excerpt] Prague (DPA)--Before his talk today with Czechoslovak Premier Lubomir Strougal, Federal Foreign Minister Genscher is believed to have called on Archbishop of Prague Cardinal Frantisek Tomasek. There has been no confirmation to date of this meeting which was not included in the official program.

Meeting With Strougal

LD191642 Prague Domestic Service in Czech and Slovak 1400 GMT 19 Dec 80

[Text] Federal Premier Lubomir Strougal received in Hrzan Palace in Prague today FRG Foreign Minister Hans-Dietrich Genscher. In the talks, which were concerned with the current international situation as well as bilateral relations, Lubomir Strougal and Hans-Dietrich Genscher stressed the resolution and endeavor of the governments of Czechoslovakia and the FRG to continue in the policy of detente and develop all-round peaceful cooperation between states with different social system. They appraised the results achieved in the development of mutual relations, which have a positive effect in the political, economic and social spheres, and are in agreement with the needs of both countries and with the conclusions of the Conference on Security and Cooperation in Europe.

They recalled that it is necessary to create conditions for the further widening of mutual economic cooperation, particularly cooperation in production, as the main premise for the dynamic growth of exchange of goods in the future. Finally, the conviction was expressed that the visit of the FRG minister of foreign affairs is an important step which will contribute to the further development of fruitful friendship and neighborly relations between the two countries.

DPA on Talks

LD191636 Hamburg DPA in German 1433 GMT 19 Dec 80

[Excerpt] Prague (DPA)--At the end of Federal Foreign Minister Genscher's talks with his Czechoslovak counterpart Chnoupek and Premier Strougal informed circles in Prague today made it clear that it is their impression that the East wants to set the West's mind at rest.

During the intensive exchange of views it became clearly apparent that the Czechslovak leadership's intention was to "set the West's mind at rest" over the Polish crisis. Following his talk with Strougal, Genscher told journalists today that both sides very fully explained their respective positions and attitudes. During this it became clear that the Czechoslovak side attaches great importance to his--Genscher's--visit and regards it as useful for East-West relations.

Meeting With Husak

LD192004 Prague Domestic Service in Czech and Slovak 1700 GMT 19 Dec 80

[Text] Gustav Husak, president of the republic, received in Prague Castle today, Hans-Dietrich Genscher, federal foreign minister of the German Federal Republic, who is in Czechoslovakia on an official visit.

In the course of the meeting the attained level of bilateral relations and the possibilities for their further positive development in the areas of the common interest were examined. Also expansion of mutually beneficial contacts between both neighboring states, corresponding to the spirit of the treaty of mutual relations between the CSSR and the Federal Republic of Germany of 1973, and the results of the visit to the German Federal Republic in April 1978 of the president of the CSSR were disucssed. In today's talks attention was also paid to certain topical issues of the current complicated international situation. The conviction was voiced that in keeping with the requirement of safeguarding world peace and consolidating European security it is essential to do everything possible for the continuation of the process of relaxation of tension and to ensure that every possible effort is made to achieve progress in the talks aimed at curbing armaments and pushing through effective disarmament.

## Genscher Hosts Dinner

LD200250 Prague CTK in English 2011 GMT 19 Dec 80

[Text] Prague, 19 Dec (CTK)--Visiting FRG Foreign Minister Hans-Dietrich Genscher gave a dinner here on Friday.

It was attended by Czechoslovak Premier Lubomir Strougal, Federal Assembly Chairman Alois Indra, Foreign Minister Bohuslav Chnoupek and other personalities of Czechoslovak political and public life.

## Chnoupek Comments on Visit

LD202350 Prague Domestic Service in Czech 1730 GMT 20 Dec 80

[Text] Hans-Dietrich Genscher, foreign minister of the Federal Republic of Germany, today ended his official visit to Czechoslovakia and departed for Bonn. Bohuslav Chnoupek, minister of foreign affairs, told Michal Berko, our reporter, the following about the content and significance of the talks:

[Begin Chnoupek recording in Slovak] I think that now, after the conclusion of Minister Genscher's visit, one can say unequivocally that the talks can be asssessed by both sides as useful and productive, both from the bilateral and international-political viewpoint. As is customary during talks between foreign ministers, we discussed in great detail bilateral relations from the viewpoint of a balance sheet, that is, from the viewpoint of what had been done until now, as well as from the viewpoint of their long-term prospects. Furthermore, I would like to stress that the treaty, signed in 1973, and the important document signed in 1978 by our president, Comrade Husak, and by Herr Schmidt, are being fulfilled, albeit with certain fluctuations and reservations, and that there exists a will on both sides to fulfill them with deeds.

From this viewpoint, we outlined perspectives for the future in the political, economic, cultural and other fields. One can therefore say that we can be satisfied with this area of mutual relations.

As far as international issues are concerned, we appreciated above all the very fact that the dialogue between states with different social systems continues, and from this point of view, relations between the CSSR and the Federal Republic of Germany form a specific component from the viewpoint of the global policy. These relations are extraordinarily sensitive, but we demonstrated during these past 3 days that it was possible to resolve questions practically, including those on which we hold different views.

We welcomed the fact that Minister Genscher confirmed the will of the government of the Federal Republic to continue in the policy of peace, that he stressed during all his meetings that the government of the Federal Republic was in favor of the policy of relaxation of tensions, that it was in favor of the implementati _ of the Final Act of the Helsinki conference, that it was interested in the positive conclusion of the Madrid meeting and in it resulting in the convening of a conference on confidence and disarmament, that it was in favor of holding various congresses, for instance, on energy, that they were in favor of continuation of the SALT II process. We also adopted, in essence, an identical stand on a whole number of questions in the field of disarmament.

At the same time, I have to say that we also had different views on certain issues. True, this did not prevent us from stating our standpoints very clearly and very fundamentally on these problems. So, if I were to sum up in one sentence these 3 days of talks, which found their high points in the reception by the president of the republic, by the prime minister, Comrade Strougal, by a reception by Comrade Colotka in Bratislava today, one can assess them as a contribution to the international-political dialogue between countries with different social systems, as a contribution to the policy of relaxation of tension, and from the bilateral viewpoint, as further progress. [end recording]

Genscher Press Conference

LD201630 Prague Domestic Service in Czech and Slovak 1300 GMT 20 Dec 80

[Text] At the conclusion of his visit to Prague, Federal Minister of Foreign Affairs of the FRG Hans-Dietrich Genscher gave a press conference at the Intercontinental Hotel. He said that his official visit to Czechoslovakia is very important not only for the development of relations between the two countries, but also for the process of detente in Europe and the continuation of a dialogue between East and West.

Genscher said that he appreciated the frankness and matter of fact approach which characterized his talks with the highest Czechoslovak representatives--President of the Republic Gustav Husak, Federal Premier Lubomir Strougal and Minister of Foreign Affairs Bohuslav Chnoupek. He came to the conclusion that relations between the two countries should expand in all areas noted in the treaty of 1973 and in the common declaration of 1975.

Genscher said the Czechoslovak side is also of the same opinion. There are wide possibilities in the field of economy, above all in production cooperation and in cooperation in third markets.

The federal minister of foreign affairs also spoke at the today's press conference about the current international situation and its problems. He stressed the importance of continuation of cooperation and detente in Europe and consistent implementation of the Final Act of the Helsinki conference, and expressed the determination of the FRG to improve relations between East and West.

Minister Genscher left Prague today for Slovakia.

DPA Report

LD201128 Hamburg DPA in German 1056 GMT 20 Dec 80

[Text] Prague, 20 Dec (DPA)--The Federal Republic and her Western allies intend to adhere unwaveringly to the course of detente, according to the Federal Foreign Minister Hans-Dietrich Genscher. At the end of his 3-day talks with the Czechoslovak leadership, Genscher said in Prague on Saturday before the international press that instead of increasing tenaion through polemics, it is especially important not to continue the policy of detente "with prudence."

His Prague interlocutors had noted with great interest his description of the Western attitude in the light of the Polish crisis and had "tried extremely hard" to explain their own position and that of the Eastern alliance. He regarded what he had been told as "important," Genscher emphasized.

Concerning the Polish proposal for a European disarmament conference, the minister referred once again to the position of the European alliance--such a conference is to be recommended in principle, but would have to include the whole of Europe right up to the Urals.

In the bilateral sector it was agreed that German-Czechoslovak relations wuld have to be deepened. The minister said many things could be expanded upon.

Genscher then flew for a courtesy visit to Bratislava from where he is to return to Bonn this afternoon.

Genscher Comments on Visit

DW220921 Mainz Television Network in German 1800 GMT 20 Dec 80

[Reporter Wiessner interview with Federal Foreign Minister Hans-Dietrich Genscher in Prague--recorded]

[Text] [Question] Would you say in looking back at your 3-day visit to Prague that some motion could take place in East-West relations?

[Answer] One must never overrate onself. It is important particularly in these difficult times, to continue the dialogue and to clarify the own position with regard to the concerned, that is the discussion partner here. I have explained the statements made by the alliance made in Brussels and by the European Community in Luxembourg. In doing so I made it clear that we in the West are in full accordance with regard to viewing the international situation and East-West relations. Our position is characterized by concern for developments, by firmness in the matter and by the honest will to continue cooperation if all will keep to the rules and principles of cooperation.

[Question] Does that also pertain to most actual relations with Poland?

[Answer] This concern certainly also pertains to problems related to the People's Republic of Poland.

[Question] Do you believe that you can return to Bonn somewhat relieved after the talks you had with the political leaders here in Prague? Do you think one can say that the Polish situation has somewhat calmed down?

[Answer] I would like to put it as follows: I consider the things that have been explained to me as important, also what has been explained to me with regard to the Moscow communique; that must be assessed. It is now important that all sides react reasonably and that, most of all, everybody must be aware of it that only persistent adherance to the Final Act of Helsinki, strict observance of the noninterferance princple and of sovereignty can be the prerequisite for constructive cooperation between the East and the West also in the future.

Prague Reviews Visit

LD210508 Prague Domestic Service in Czech 2100 GMT 20 Dec 80

[Text] Hans-Dietrich Genscher, federal foreign minister of the FRG, today ended his 3-day official visit to Czechoslovakia and left Bratislava for Bonn.

During the visit, Hans-Dietrich Genscher was received for talks by Gustav Husak, general secretary of the CPCZ Central Committee and president of the republic, and by Lubomir Strougal, Czechoslovak prime minister. During his stay in Bratislava the federal minister was received by Peter Colotka, Slovak prime minister.

The talks between Bohuslav Chnoupek, minister of foreign affairs of the CSSR, and Hans-Dietrich Genscher, federal foreign minister of the FRG, were devoted to the assessment of the state of the development of bilateral relations and to topical questions of the current international political situation. During the past period the development of relations between both countries recorded progress in political, economic, cultural and other areas and the political will was confirmed to continue to develop and deepen these relations in accordance with various treaties and agreements that had been concluded. At the close of their talks the ministers of foreign affairs of both countries signed an agreement on the prevention of dual taxation from income and property.

Hans-Dietrich Genscher, federal foreign minister, invited Dr Choupek, minister of foreign affairs of Czechoslovakia, to an official visit to the FRG. The invitation was accepted.

During the examination of topical foreign political problems, main attention was devoted to questions on the lessening of international tension, strengthening of security and the development of cooperation with special regard to the situation in Europe and the current meeting in Madrid of the states, signatories of the Helsinki Final Act; to problems relating to arms control and disarmament, especially as regards the negotiations in the Geneva disarmament committee, and the talks in Vienna on the reduction of armed forces and arms in central Europe. Questions connected with the emergency of crisis situation in some parts of the world as well as the search for ways of overcoming them in the interests of peace and security of all countries were also the subject of examination.

The Czechoslovak side stressed its interest and support for any constructive effort which would help to eliminate hotbeds of tensions in various regions as well as its interests in ensuring that new flashpoints of crises do not emerge.

During the visit to Czechoslovakia of the federal foreign minister of the FRG, concern was voiced over the openly declared attempts of the United States, supported by some NATO countries, to upset the existing military balance in the world and gain a one-sided superiority, over the manifestations of its interference in the internal affairs of independent countries and over the tendencies towards the return to the policy of a position of strength and the cold war.

## CZECH TRADE UNION COUNCIL PLENARY MEETING CONTINUES

LD201330 Prague Domestic Service in Czech and Slovak 1300 GMT 18 Dec 80

[Text] The plenary meeting of the Czech Trade Union Council continued today in Prague. The participants spoke critically about the tasks and work of the trade unions in the period before the 16th CPCZ Congress. They paid attention above all to the preparation and discussion of the plans for individual work places and the introduction of the "Set of Measures for Improving the Planned Management System of the National Economy."

The discussion also voiced a number of concrete examples of successes achieved with the help of socialist competition. The resolution of the 13th plenary meeting of the Czech Trade Union Council expressed the conviction that the trade unions will greet the 16th party congress by the further development of their creative powers, active participation in the production, social and cultural-educational tasks, and the fulfillment of pledges.

## HULA OUTLINES 1981 ECONOMIC PLAN TO ASSEMBLY

AU182131 Prague RUDE PRAVO in Czech 16 Dec 80 p 2

["Excerpts" from speech by Vaclav Hula, CSSR deputy premier and chairman of the State Planning Commission, delivered at the 20th joint session of the two chambers of the CSSR Federal Assembly in Prague on 15 December]

[Text] The CSSR Goverment submits to the Federal Assembly the draft bill on the 1981 state plan of the national economy's development. Next year, on the basis of the directive of the 15th CPCZ Congress, a draft bill on the Seventh 5-Year Plan will be submitted to the Federal Assembly.

The basic objectives and tasks of next year's plan of development proceed from the conclusions of the 18th CPCZ Central Committee session which adopted a resolution on convocation of the 16th CPCZ Congress, and approved the CPCZ Central Committee Presidium's report on the state of work and the main problems of preparation of the Seventh 5-Year Plan of economic and social development. The draft plan was discussed and approved by the CPCZ Central Committee Presidium and the Federal Government.

To begin with, permit me to mention concisely the results, but also some problems, of economic development this year and in the course of the entire 5-year plan, which we have been realizing in complex and in some respects unanticipated conditions. The consequences of the weighty changes in the world economy have made matters more difficult and have considerably driven up the cost of energy resources, raw materials and foodstuffs--in some cases manifold. The technical and economic conditions for the sale of finished products have become markedly aggravated on the world markets, and all that has also influenced our economic development.

In these extraordinarily difficult conditions, the development of our national economy continued upwards, although--in the second half of the 5-year plan--somewhat slower than we anticipated. We rightly assess this trend as positive.

Increased Personal and Social Consumption

In the Sixth 5-Year Plan, the national income will rise about Kcs90 billion and will be 22 percent higher than in 1975. Industrial production and construction will increase by 25 percent. Despite the fact that agriculture was affected by 2 poor years (1976 and 1979), we expect that the 5-year volume of gross agricultural production will increase almost 10 percent compared with the preceding 5-year plan.

In the course of the 5-year plan, we gradually realized the key structural changes in the economy that were approved by the 15th CPCZ Congress and that correspond to the future needs of economic development. The rapid development in the engineering and chemical sphere continued--here we will achieve about a 30 percent increase in production in the course of the 5-year plan. Progress was also achieved in the use of wood, which is a domestic raw material. The standard consumption of all types of energy, metals and other materials per production unit and so forth, decreased.

Capital investment yielded a considerable increase in basic assets, which we estimate at Kcs628 billion for the entrie 5-year plan. New capacities went into operation for the extraction of 13 million tons of coal; for the production of 245,000 tons of steel pipes; powerplants with total generating capacity of 4,500 megawatts; for the production of 450,000 tons of ethylene; for the production of 34,000 tons of chemical fibres; for the production of 340,000 square meters of particle board; and so forth. [paragraph continues]

The realization of large capital investment projects ensuring the development of the production of equipment for nuclear powerplants, trucks and tractors continued, and the construction of two large combines for the production of cellulose and of other projects has begun.

The CSSR's participation in the international division of labor has deepened further. Our country's participation in the process of specialization and cooperation within CEMA has especially increased. This is attested to by the rising volume of goods exchange with the CEMA countries, which--compared with the end of the past 5-year plan--will be 60 percent greater. A decisive share in that is our increasing cooperation with the USSR, which is of key and invaluable importance for the overall development of our economy and its stability.

The resources created enabled us to further improve the population's standard of living in the course of the Sixth 5-Year Plan. Personal and especially social consumption will increase. The average monthly wages will increase 15 percent and amount to about Kcs2,700. The total income of the population will increase about 23 percent, and the share of social monetary income resulting from the adjustment of social security payments and allowances for families with children will increase also.

Personal consumption (given stable prices) will increase about 10 percent in the 5-year plan. This growth is smaller than we anticipated, but it corresponds to the smaller growth of resources than we planned. In this connection we have also adjusted the retail prices of fuels, energy and some products and services. The increase in social consumption, that is above all of social expenditure for services and products provided free of charge to the population, per capita will exceed the pace anticipated in the 5-year plan and reach about 23 percent. Social consumption will reach more than Kcs9,000 per capita this year.

An inseparable part of the development of the standard of living is the improvement in housing conditions. In the current 5-year plan we will commission more than 640,000 apartments. Thus the number of apartments built in the course of the Fifth and Sixth 5-Year Plans will be more than 1.25 million.

However, the fulfillment of tasks in the course of the entire 5-year plan, and even this year, will not be easy. In some sectors deviations occurred as regards fulfilling the plan's aim, and also some old shortcomings continued.

A complex situation arose in coal extraction. The annual plan will not be fulfilled, especially as regards the extraction of brown coal in the strip mines of the North Bohemian brown coal basin in Most, where at the same time a considerable nonfulfillment of overburden tasks has occurred.

Deviations from the plan have been occurring since the end of last year also in the metallurgy sector's production. They are caused by a smaller supply of iron-ore raw materials and metallurgical coke, by their poorer quality and the technical condition of some production machinery.

This year's climatic conditions did not favor agriculture. The plan for plant production, especially of potatoes, sugar beets, fodder, vegetables and hops, will not be fulfilled. As regards the harvest of cereals--despite the fact that it will be the second most bountiful in the history of our agriculture--the plan's nonfulfillment here will be caused by a smaller corn crop.

The deviation in the creation of resources--together with shortcomings in the structure and quality of production, especially of engineering production--are reflected in the lower growth of social production and national income, and they unfavorably influence the results of foreign trade.

Even though the tasks of the Sixth 5-Year Plan will not be completely fulfilled, we can say that in the past period also our people, led by the CPCZ, have done quite a job which will be honorably inscribed in the history of building socialism in our country. We can build on it in the coming period. However, at the same time--and rightly--it was emphasized at the 18th as well as at the preceding CPCZ Central Committee sessions that the results could have been better if we had succeeded in the individual sectors of the national economy in more determinedly tackling problems and shortcomings, and if we had more rapidly adjusted the standard of management and planning work and economic methods to the new conditions on all levels of management.

The Urgency of a Higher Standard of Effectiveness

In preparing the Seventh 5-Year Plan, and in detailing and implementing the plan for 1981, it should be clear to all levels of management that this time it cannot be just a usual routine affair, a repetition of past experiences and tasks. The 18th CPCZ Central Committee session has clearly shown that this is a truly new situation. The plan and economic practice must react to this situation in a much more determined and competent way than in the past. This situation has not been brought about only by the accumulation of some problems from the past, but also by the fact that the changes taking place in the world are asserting themselves with an ever greater intensity and dynamism. In the recent period these changes have also been accompanied by the inclination of world reactionary forces to reverse international political development. These tendencies are also being accompanied by attempts at economic blackmail and a return to the discriminatory practices of the cold war period.

For these reasons a consistent transformation of our economy to a higher standard of effectiveness is of great urgency. It will require that we multiply our forces through an ever broader and closer cooperation with the other fraternal countries, but of course we ourselves must do the most in this direction.

We are saying quite openly that in this process we must also get ready for difficulties and problems, and for the fact that better work, better discipline, more commitment, honesty and responsibility, will be required from all people--and managers above all--in the interest of the whole.

Comrade Gustav Husak, CPCZ Central Committee general secretary and the president of the republic, emphasized in his closing speech to the latest CPCZ Central Committee session that in the upcoming period we will face two closely connected fundamental tasks. They are, above all, ensuring the further development, increasing the efficiency and effectiveness of our economy as a prerequisite for maintaining and further improving the achieved standard of living of the people and consolidating their social securities. The second is a systematic political-educational work. What is involved is the strengthening of the convictions of millions of workers, farmers, members of the intelligentsia, all strata of people, communists and nonparty people, about the correctness of the party policy and winning them over to creative, active participation in the solution of future tasks. Even though these tasks are not new, their solution is of the greatest urgency.

In the elaboration of the 1981 plan we have proceeded from this intent.

We are convinced that the economic potential of the country, represented above all by the developed material-technological basis of the economy, the growing scientific research, the ability and experience of our workers, farmers and intelligentsia, make it possible that even under complex economic conditions we can achieve further progress.

The possibilities for economic growth are influenced more than in the past by the limited increase in the supply of fuels, energy, ferrous and nonferrous metals and other raw materials from both domestic and imported sources.

In comparison with the Sixth 5-Year Plan, manpower resources are also getting considerably lower.

Scope for Active Economic Policy

In view of all these basic phenomena, the plan for 1981 has been prepared in such a way as to make possible a growth of the generated national income by 2.8 percent.

The basic intention of the plan for 1981 is to create conditions for an accelerated change in using the sources of social production, a process started in the past 2 years, and toward strengthening the external equilibrium [vnejsi rovnovaha]. The main emphasis must, therefore, be to establish harmony between the structure of production-consumption and the requirements of the foreign and domestic market, and not on a quantitative growth of resources. The setting of the 1981 tasks is influenced by the fact that one cannot repeat the growth of agricultural production of 1980 against the low basis of the infertile year of 1979. The slowdown in the growth rate of industrial production has been influenced in particular by the possibilities of ensuring raw and other materials through imports or from domestic sources, and by the consequences of capacities being put into operation belatedly and by their slow start up. The dynamism of the chemical industry's growth is being considerably reduced (only a 0.7 percent growth compared with the 5 percent average annual growth during the Sixth 5-Year Plan), and a similar development is anticipated in the metallurgical industry. In contrast, the share of engineering in the overall volume of industrial production will increase further.

In keeping with the anticipated development in the growth of the performance and effectiveness of our economy, the plan is oriented, to the necessary extent, toward preserving and furthering the quality of the living standard achieved, and toward strengthening the social security of the people.

The plan is based on the continuing tendency that increases in the numbers of people of productive age are getting smaller, and estimates the manpower growth in the national economy at 34,000; about 20,000 less than this year. The growth of the average wage might reach 1.7 percent. The monetary incomes of the population are to reach Kcs370 billion.

In keeping with the program of raising the economic effectiveness of the wage system, which was discussed by the CPCZ Central Committee Presidium and the government, the role of incentives in remuneration is to grow in connection with the quality and effectiveness of work.

The social incomes of the population are to grow in 1981 by about 3 percent. At the same time the average paid pension is to grow about 2 percent, and the social allowance for families with children is to reach Kcs370 per month per child on the average.

As regards domestic trade, the plan follows the standards achieved in satisfying the needs of the population. In harmony with the dynamism and structure of the incomes of the population, retail trade is to grow 2.3 percent and paid services 4 percent. The plan anticipates for 1981 also that the growth of sales of industrial products will increase faster than those of foodstuffs, although we must respect certain facts; for example, a decline in the sales of passenger cars this year.

As regards foodstuffs, I deem it necessary to state that even at the cost of importing fodder, we are maintaining the high per capita consumption of meat at 80-86 kilograms annually. However, not all shortcomings affecting the market can be solved through a central plan. A far greater responsibility must be born by the apporpriate ministries, production enterprises and organizations of domestic trade, and they must much more flexibly respond to the needs of the population.

The material social consumption will increase 2.6 percent. [paragraph continues]

This creates prerequisites for the further development of the sphere of health, education and culture. Thus, for example, the number of university-level students will increase 3 percent, about 85 percent of the children in the 3-5 year old age group will be placed in kindergartens and 28 medical posts for every 10,000 citizens. One has to emphasize that the principles of the thriftiest possible use of manpower and material and financial resources fully apply also to this sphere.

Sources of Fuels, Energy and Raw Materials Must Be Utilized Rationally

In the fuel-energy sphere, the economy will allocate about 106.3 million tons of standard fuels for domestic consumption, which is an increase of about 2.6 percent compared with last year. In view of the lower dynamism of development, and when fuels and electricity will be used with maximum thriftiness in all spheres including the nonproduction sphere, we regard this increase as sufficient. However, one has to say that certain risks exist, be it in the domestic extraction of coal or in regard to the volume of its planned import.

Efforts to conserve energy and measures aimed at reducing the demand for energy is one of the most important tasks that is increasingly urgent. In a number of cases, figures reveal that the attention paid to thrifty use of fuels and energy has slackened somewhat. For this reason the plan sets specific overall limits of consumption, stipulates reducing the standard consumption per production unit of main products, and requires ensuring the state program of rationalization of fuels and energy consumption.

The plan sets the goal to extract 27.8 million tons of bituminous coal and 95.5 million tons of brown coal and lignite. Decisive for ensuring extraction in 1981 and in the Seventh 5-Year Plan, will be an improvement in building and mastering technological installations, whose performance has so far been below the envisaged level.

Electricity resources, that is production and imports together, are to amount to roughly 77 billion kilowatt hours. The highest production increase is to be achieved in nuclear power production, which will account for more than 60 percent of the additional electricity produced. Due to the construction of new facilities and to the lower dynamics of consumption growth, the electricity network has again, after a number of years, sufficient power-generating facilities in reserve, which makes it possible to conserve fuels by limiting production in the less fuel-efficient powerplants and to carry out repairs on time, as scheduled.

The anticipated quantity of crude oil to be processed is somewhat lower than this year. The entire national economy, therefore must be oriented to maximum thriftiness in consuming all types of crude oil products. The tasks set by the plan in that respect are undeniably exacting, but inevitable. Gasoline consumption in organizations of the socialist sector must not exceed the level of 1980 and, as regards diesel oil, it is necessary to ensure a decline in consumption. Untapped potential, making it possible to ensure those tasks, demonstrably exists--be it in consumption norms, utilizing the storage-capacity of vehicles, increasing the performance of the substantially more fuel-efficient freight transportation by the Czechoslovak state automobile transportation at the expense of enterprise transportation, or in replacing crude oil by other fuels. Particularly urgent is to phase out the consumption of gasoline for power-generating purposes [energeticky benzin] and to replace it with natural gas.

The consumption of crude oil products for chemical processing will increase next year. We must offset the imports of ethylene and propylene from the GDR and--on the contrary, according to the valid agreement--we will begin to export ethylene. The domestic raw material base for the production of plastic materials will be significantly reinforced: Their production will be 3.5 percent higher than this year. The production of low-pressure polyethylene (by 15 percent), of microten [mikrotenovy] sheets and polypropylene fibres will increase.

As far as the rubber industry is concerned there will be an increase, above all, in the production of conveyer belts equipped with steel wire ropes, and in deliveries to the market of tires for passenger cars.

The development of the national economy next year will require good work in metallurgy. The plan envisages the production of more than 10 million tons of pig iron, 15.7 million tons of steel, 11.1 million tons of rolled material and 1.5 million tons of steel pipes. That exceeds this year's production by about 2.25 percent.

The national economy's need for metal is covered by the national plan. It must be added, however, that the fulfillment of the conservation program of all metals is equally as urgent as the fulfillment of the power and fuels conservation program. In view of the existing possibilities of importing iron ore and nonferrous metals, it will be necessary to ensure in all branches of the national economy measures aimed at rationalizing to the greatest possible extent the consumption of metals and, in particular, at achieving conservation of nonferrous and precious metals. The consumption of ferrous metallurgy products still highly exceeds, as is known, the average consumption of other industrial countries, and the price of imported nonferrous metals, which we cannot obtain in any other way, is constantly growing.

As in the past, next year as well engineering, whose production is to increase 5.5 percent, will play a decisive role in developing the national economy. In developing engineering, the fastest growth rate is envisaged for the electrotechnical industry, in keeping with the needs of capital construction and a more intensive introduction of electronics and computer technology into all branches of the national economy. Engineering must ensure higher deliveries for export and market funds and at least partially reduce the dependence on imports for capital construction and of spare and complementary parts. The plan creates prerequisites for the fulfillment of tasks, inter alia by further reducing final production.

Engineering must more speedily adapt the structure of its production to the demands of foreign customers, raise the technological standard and quality of production and accelerate the innovation cycle, including consumer products.

In the timber-processing industry, in which production is to increase 4 percent, tasks are oriented toward further developing chemical and mechnical processing and achieving greater effectiveness of exports. A higher production is envisaged for nonbleached pulp, paper and cardboard, sawn timber, particle board and furniture. it will be necessary to ensure in a far better way than heretofore the attainment of planned limits of both new facilities and production facilities that have already been put on line.

Light industry's production will increase 2.5 percent. Its development will focus both on ensuring deliveries for the domestic market and on further expanding export. There will be higher deliveries to the market primarily of cotton fabrics, knit underwear, clothes and outerwear. It is a permanent task to use as effectively as possible the increasingly costly raw material imports, to increase the share of processed secondary raw materials and to substantially improve the organization of their collection.

In agriculture we envisage a 2.6 percent increase of gross production, appraising our possibilities realistically and taking into account the results achieved this year. The decisive task will be to achieve the necessary edge of plant production over animal production.

The development of animal production will be limited by the resources and composition of fodder. While the need for bulk fodder is covered, it will be necessary, in order to augment the resources of grain fodder, to import it from nonsocialist countries.

Therefore, it will not be possible to agree to exceeding the deliveries of grain fodder from central funds as approved by the state plan. When detailing the plan, managerial bodies in agriculture must enjoin measures to achieve savings in grain fodder consumption per production unit and regularly control their fulfillment.

The plan provides for deliveries of machinery and equipment worth more than Kcs9.7 billion for the entire agricultural complex, of which Kcs 6.85 billion are for agriculture alone. Roughly 7,500 tractors, more than 2,400 trucks, 1,000 combines and other essential machinery will be delivered. The deliveries of industrial fertilizer will reach 267.4 kilograms of pure nutriment per hectare of agricultural land.

Experiences of the past years and this year have shown that by far not all potential is exhausted for increasing the domestic production of foodstuffs. In keeping with the conclusions of the 13th CPCZ Central Committee session, we therefore see the way out in further intensifying agricultural production, purposefully deepening its concentration and specialization, mobilizing untapped potential, limiting losses and in a much more economical use of raw materials in the entire agriculture-food industry complex.

In transportation, it will be necessary to continue to devote decisive attention to transporting solid fuels, ores, scrap metal, construction materials and earth. In keeping with the principles of streamlining division of labor between public and enterprise road transportation, the plan envisages an increased share of public transportation, where the use of the vehicle pool is double that of enterprise transportation.

It has already been said many times that an accelerated introduction of the results of scientific-technical progress into the reproduction process provides the key to solving the tasks of raising effectiveness. At the 18th CPCZ Central Committee session many justified critical words were said in that respect.

In the plan for 1981 as well we are increasing the number of employees and other means for the sphere of scientific-technical development, and thus maintain their high share in the national income, a share which is fully comparable with advanced industrial states.

The proposal to introduce new types of products and technologies proceeds from tasks of technical development that have already been resolved. A number of new planned products and technologies that have been selected from among them are of considerable national economic significance. To ensure an increase in the technical level and quality of production, a binding index is being introduced in harmony with the "Set of Measures for Improving the Planned Management System" concerning the share of poducts of high technical and economic standard.

It must be said, however, for the sake of truth that the improvement that has been achieved in the plan to implement the results of scientific-technical development, and to increase the number of technologically advanced products and of products with top quality rating, still does not correspond to the attention which that task should deserve in the whole economy, nor to the means that are being earmarked for that purpose.

To Use Means From Unfinished Projects

The necessity to reduce the internal use of the national income has influenced the extent and structure of capital construction planned for 1981. The volume set by the plan is, essentially, at the level of the results anticipated for 1980.

What is decisive is orientation toward a speedier completion of unfinished projects and putting them into operation. Priority is given in the plan to modernizing projects with the aim of improving the use of existing facilities and saving manpower. Starting new construction will be permitted only in the most urgent cases where the projects are necessary for further development, their blueprints have been prepared and the construction has been ensured in terms of supplies. We are thus starting to gradually more radically reduce the number o unfinished projects and to mobilize the resources temporarily frozen in them. The sum of those measures are aimed at increasing the general economic effect obtained from production and nonproduction basic assets.

Among the decisive projects, whose operation must be ensured next year, I would like to mention at least the additional 1,000 megawatts of power-generating facilities (the decisive of them being the Prunerov II powerplant based on brown coal, and the Cierny Yah pumped-storage hydroelectric powerplant); the large-capacity semi-light rolling mill plant in NHKG [Klement Gottwald New Metallurgical Plant] Kuncice with an annual production capacity of 600,000 tons; the cogging and billet mills in SONP [United Steel Works National Enterprise] Kladno with an annual production capacity of 900,000 tons; the continuous casting of slabs in VSZ [East Slovak iron works] Kosice; in the sector of fuels, facilities for an annual extraction of 6.1 million tons of brown coal and 0.5 million tons of bituminous coal, and installations for crude oil processing; installations for the production of pulp, particle board and furniture; in agriculture, irrigation on 12,000 hectares and drainage on 46,000 hectares, and so forth.

In comprehensive housing construction the plan envisages the completion of 110,000 apartments. The volume of work and deliveries by the supply organizations for comprehensive housing construction represents, in its inner structure, a transition in building facilities to the construction of public facilities, in view of the envisaged gradual liquidation of the lag in this type of construction. The plan for 1981 demarcates for the first time, in keeping with the approved concept of housing construction, the maximum overall decrease in the housing fund administered by socialist organizations, and envisages the start of a housing modernization program.

The volume of newly started projects with budgeted costs exceeding Kcs2 million is to amount to around Kcs40 billion, which is about two thirds of the projects that have been started this year. Besides the reduced starting of new large building projects, the plan also envisages that projects that have not been sufficiently ensured in terms of supplies will be slowed down or temporarily phased out, and that precautions will be taken to prevent a fragmentation of building facilities at small building projects.

The above concept of capital construction proceeds fully from the directives approved by the government for its preparation, and respects the conclusions of the 18th CRCZ Central Committee session. Its basic objective is to reduce the number of projects simultaneously under construction, and to employ the building facilities thus released in completing projects. In the course of 2 years, the number of large projects simultaneously under construction must be reduced by at least 15 percent. Small building projects will be permitted in future only where there are guarantees that they will be completed within 12 months. The conditions governing the construction of administrative buildings are being made more rigid, thus limiting its possibilities. In all sectors in which, according to the new system, the financing of fixed-limit investments from the development fund is being introduced, the plan has the character of a preliminary orientation, and will be adjusted according to the creation of that fund.

The tasks in construction have been set in harmony wiht the needs of capital construction and the plan-based limitation of imports of construction labor. [paragraph continues]

The volume of work by supplying construction organizations in capital construction will increase 2.7 percent. It is envisaged that, above all, the work at building projects that are in their final stage will be reinforced. The considerable concentration of the suppliers' building facilities in the areas of intensive construction in Prague, North Bohemia and Bratislava will be maintained.

To Markedly Reinforce Export Capacity

The changed conditions in the world in the second half of the seventies, reflected among other things in a marked deterioration in exchange relations in our foreign trade (especially as a consequence of the faster growth of the prices of fuels and raw materials than finished products on the world markets), have been linked with substantially higher requirements in ensuring balanced trade and payments than was the case in the Fifth 5-Year Plan. However, the attained results in raising the export capacity of the Czechoslovak economy, or in reducing the considerable dependence of the reproduction process on and its demands for imports, fell short of meeting those requirements. As a result of that development, trends have appeared in the last few years toward upsetting the external balance of our economy. Because of anticipated developments in the world, the demands on the Czechoslovak economy will be stepped up in the eighties.

That is why we consider the accelerated and marked reinforcement of our economy's exporting capacity to be one of the strategic tasks, the mastering of which will determine the fulfillment of the basic goals of our socioeconomic development. Ensuring that task must be reflected in all parts of the national economic plan, especially in the investment plan, in which projects ensuring within the shortest possible time a realistic increase of effective export funds, and that have a good chance of finding a market in socialist and nonsocialist states, must account for a substantially higher share than has been the case heretofore.

The fulfillment of tasks in the sphere of foreign trade must be given the necessary priority in the entire national economy. We perceive this in an active sense--that means that priority must be given to creating additional resources.

Intensifying the expanding cooperation with CEMA member countries, especially the Soviet Union, is in the forefront of the overall development of external relations. Basic prerequisites for that are created by the results achieved in coordinating national 5-year economic plans. In the present complicated situation in the world economy, agreements on coordinating plans ensure for us the decisive part of our import needs, including the most important fuels and raw materials.

The tasks of the plan of multilateral integration measures within CEMA are part of the national economic plan for next year. That concerns, for instance, Czechoslovak participation in the construction of the Khmelnitskaya nuclear powerplant and the Mozyrskiy plant for the production of fodder yeast in the Soviet Union, which will ensure for us--beginning in 1942--long-term deliveries of their product. Of significance also is our participation in specialization and cooperation in the sphere of computer technology equipment, tractors and agricultural machinery, machine tools with digital control, roller bearings and chemical products. We also envisage that next year talks will continue on intensifying multilateral and bilateral cooperation. That will concern especially the elaboration of measures within the framework of the agreed-upon long-term program of developing specialization and cooperation with the Soviet Union.

Economic relations with nonsocialist countries will also continue to expand. In that area the plan enjoins tasks aimed at achieving the greatest possible growth of exports and their valorization [zhodnoceni]. Like this year, we envisage that exports will grow at a faster rate than imports. However, the edge in the growth of exports over imports, as rooted in the plan for 1981, must be considered insufficient from the viewpoint of the needs of the entire coming 5-year period. [paragraph continued]

That is why the indexes in the sphere of exports must be considered the minimum while those in the sphere of imports must be considered the maximum.

We regard as a significant prerequisite for the fulfillment of overall export tasks increasing the exporting capacity of engineering, which has so far accounted for only one third of exports to nonsocialist countries. The ministries in charge of engineering, together with the Ministry of Foreign Trade, must strive much more energetically to accelerate deliveries of complete plant equipment and technological installations for which contracts have been signed; to increase the technical standard and ensure innovation of automobiles, tractors, textile machinery, machine tools and products of electrical engineering; and to ensure deliveries of spare parts. The priority attention we are devoting to increasing engineering exports must not, however, amount to reducing the demands on increasing the exporting capacity of all other sectors of the national economy, from chemical, timber-processing and light industry down to the construction sector, production cooperatives and enterprises of local economy. At the same time it will be necessary to seek all ways of improving the prices achieved in exporting Czechoslovak products.

The fulfillment of tasks in the sphere of foreign trade will require a more resolute improvement of market research, sales techniques and coopeation between production enterprises and foreign trade organizations. A good quality product, prompt deliveries and service abroad remain the basis of success.

To Consistently Implement the Intensions of the "Set of Measures"

An important political-economic document--the "Set of Measures for Improving the Planned Management System of the National Economy"--will be gradually implemented as of next year. We justly expect that the applied principles will turn the attention of all levels of management, workers, technicians and economic employees--in short, of all working people--to the quality of work and to thrift and effectiveness in all economic activity. We expect that the adopted measures will help to develop our society's creative forces, and will contribute significantly to mobilizing reserves in all areas of the economy.

We know well that the economic measures ensuing from the "Set of Measures" will not be easy to bring about, precisely because of the more demanding economic criteria. It is therefore necessary to consistently implement the intentions of the "Set of Measures" and to substantially increase attention in bringing them about.

Simultaneously with implementing the "Set of Measures," we must create conditions for a more effective and extensive active participation of the working people in management. That is an integral feature of socialist democracy and a prerequisite for the successful activity of each organization and the economy as a whole. In that context, it is necessary to highlight the significance of the joint principles of the government and the Central Council of Trade Unions concerning the organization of working people's participation in creating, implementing and controlling the fulfillment of the plan in the 1981-1985 period that were adopted a few days ago. The basic purpose of those principles is to create conditions for the working people's permanent informal participation in solving economic and social issues directly concerning them. Particularly important will be the work collectives' participation in uncovering and making use of untapped potential, the yields of which will form an additional resource for creating funds for wages, and social and cultural needs. We view the working people's creative, inspiring participation in management as an important instrument and means toward multiplying values and enhancing social wealth in the interest of individual work collectives as well as society at large.

We have enough essential prerequisites for achieving a further economic upsurge for the benefit of our republic's multifaceted development.

We are in the stage of intensive preparations for the 16th CPCZ Congress, in which we are focusing on successfully fulfilling this year's plan and creating the conditions for mastering the tasks of next year and the entire Seventh 5-Year Plan. Broad activity of the working people is developing in honor of the 16th CPCZ Congress in 1981, the year in which we will celebrate the 60th anniversary of the CPCZ's founding. That activity is an important prerequisite and condition for fulfilling our economic and social goals.

Allow me to thank you on behalf of the CSSR Government for the systematic activity and help you are devoting to solving the decisive problems of our economy, and to request at the same time your approval of the submitted draft bill on the state plan of developing the CSSR national economy in 1981 and your full support in implementing it.

## BRIEFS

WATER SHORTAGE--The CSSR, and Prague in particular, will face an urgent problem of water shortage if nothing is done. At present, the Prague per capita daily water consumption is 435 liters--79 liters more than in 1975. The balance between the existing water resources and consumption will last until 1984 at the latest. Therefore it has been decided to expand the capacity of the Zelivka water works, a matter that will cover needs until 1990. [Prague RUDE PRAVO in Czech 5 Dec 80 p 2 AU]

COAL EXTRACTION SHORTFALL--The plan of coal extraction was not fulfilled in November; the 212 percent shortfall represents 242,995 tons of coal. The shortfall in coal extraction rose to 1,877,797 tons since the beginning of the year. [Prague RUDE PRAVO in Czech 5 Dec 80 p 2 AU]

ELECTRICITY SUPPLY INTERRUPTION--Several high voltage masts collapsed in Banska Bystrica district due to heavy storms, interrupting electricity supplies. In the Strojsmalt enterprise in Pohorela the production standstill caused by the interrutpion of electricity supply caused damage of Kcs 1 million, in the Sigma enterprise in Nova Masa damage of Kcs 200,000. In Turnianske Podhradie the storm damaged 4 masts of the transmission line, causing damage estimated at Kcs 2.5 million. The repair of the 400-kilovolt transmission line from Handlova to Rajec in Central Slovakia will require 2 weeks. All other power breakdowns in Slovakia were eliminated in the course of the day. [Bratislava PRAVDA in Slovak 3 Dec 80 p 2 AU]

TELEVISION TRANSMITTERS COMMISSIONED--Two transmitters for broadcasting the second television program have been commissioned. The transmitter on Devin Hill near Mikulov, using channel 26, facilitates the reception of the second television program and color television signal in the Breclav and Hodonin districts, in the outskirts of Brno, and in the border areas of the South Moravian Region. It was commissioned yesterday. The transmitter on Marsky Vrch, using channel 32, covers the area of Vimperk in the Prachatice District. As of today the transmitter broadcasts the second television program and color television signal. [Text] [Prague Domestic Service in Czech 1130 GMT 18 Dec 80 LD]

FIELD WORK IN SLOVAKIA--Sugar beets still remain to be harvested from 500 hectares in Slovakia, and corn for grain from 17,600 hectares. Snowfall and frost have also slowed down the progress of plowing, which remains to be carried out on 76,000 hectares. Due to the adverse weather conditions in the fall it will be necessary to carry out changes in the composition of the crops sown in the spring. [Bratislava PRAVDA in Slovak 4 Dec 80 p 1 AU]

WALESA DEPUTY INTERVIEWED BY BILD-ZEITUNG

LD210104 East Berlin ADN International Service in German 1754 GMT 19 Dec 80

[Text] West Berlin, 19 Dec (ADN)--In an interview with Springer's BILD-ZEITUNG, Gwiazda, deputy to Polish Solidarity leader Walesa, replied to the question on whether he trusted the Polish Government with: "No, not much."

In 1976, Gwiazda created in the Polish People's Republic an illegal organization which his cronies described as a precursor of Solidarity. For his antisocialist activities, Gwiazda was taken into custody 11 times in the last 5 years. In the interview, he expressed admiration for "democracy" in the FRG. Asked about his ideas for Poland's future, he expressed hopes for "full democracy." What this means to him is a return to capitalist conditions; he confirmed this by saying: "It has been so once upon a time and will be so again."

KOSTANDOV-LED SOVIET DELEGATION ARRIVES ON VISIT

LD211942 East Berlin ADN International Service in German 1912 GMT 21 Dec 80

[Text] Berlin, 21 Dec (ADN)--A Soviet Government delegation led by Leonid Kostandov, CPSU Central Committee member and deputy chairman of the USSR Council of Ministers, arrived in the GDR capital tonight to attend the 27th meeting of the Intergovernmental Commission for Economic and Scientific-Technological Cooperation, which opens tomorrow. The delegation was cordially welcomed at Berlin-Schoenefeld Airport by Gerhard Schuerer, candidate member of the SED Central Committee Politburo and deputy chairman of the GDR Council of Ministers, and other members of the GDR Council of Ministers.

GDR-USSR FRIENDSHIP SOCIETY DISCUSSES PLANS

AU201738 East Berlin NEUES DEUTSCHLAND in German 17 Dec 80 p 2

[ADN report: "German-Soviet Friendship Society (DSF) Explains its Plans: Erich Mueckenberger Speaks at Presidium Session"]

[Text] Berlin (ADN)--A session of the Presidium of the German-Soviet Friendship Society was held on Tuesday at which Erich Mueckenberger, member of the SED Central Committee Politburo and president of the friendship organization, assessed the 13th session of the SED Central Committee and the meeting of leading representatives of the Warsaw Pact member states in Moscow. It was stressed that the society's members and officials approved the outcome of this meeting and endorse the fulfillment of the agreements proposed and concluded there.

The Presidium also defined additional tasks for the friendship society until the 10th SED Congress. Erich Mueckenberger stated that the work programs adopted by the organization's units in preparation for the 10th party congress should be carried out with such high quality that they result in an even higher standard of political-ideological and cultural work among the masses of society. It is an essential task to convincingly present the growing common features of the GDR and USSR peoples and to contribute to further consolidating the fraternal alliance.

The Presidium valued the course and outcome of this year's annual general meetings as a good starting point for achieving the mapped out targets. In preparing for the congress, the more than 11,000 section groups and 16,000 basic units frequently set new and higher tasks for themselves. A great help for this has been and still is the Gera program speech by SED Central Committee General Secretary Erich Honecker. Some 200,000 members took this floor at the General Assembly meetings and submitted many ideas for the friendship society's work.

Erich Mueckenberger stressed that all executives, DSF collectives and circles to evaluate Soviet experiences should be guided by the political line as expressed at the Crimea meeting of Erich Honecker and Leonid Brezhnev and as finalized at the 13th SED Central Committee plenum. [paragraph continues]

"There can only be one maxim," he explained, "To be a friend of the Soviet Union implies in our days being a struggle for the comprehensive strengthening of the alliance of our country with the Soviet Union."

HONECKER MEETS WITH FRG REPRESENTATION HEAD

LD200256 East Berlin ADN International Service in German 1400 GMT 19 Dec 80

[Text] Berlin, 19 Dec (ADN)--Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, on Friday received the head of the FRG permanent representation in the GDR, Guenter Gaus.

At the meeting in the State Council, Guenter Gaus conveyed New Year's greetings from FRG Federal President Dr Karl Carstens. He handed Erich Honecker a present from the federal president consisting of an album of records with the works of Johann Sebastian Bach. Erich Honecker asked Guenter Gaus to convey his thanks to the federal president.

ADN NEWSMAN REPORTEDLY INJURED BY W. BERLIN POLICE

AU191233 East Berlin NEUES DEUTSCHLAND in German 18 Dec 80 p 2

[ADN report: "West Berlin Police Injure GDR Journalist"]

[Text] Berlin (ADN)--GDR journalists pursuing their normal activities as reporters were also seriously hampered in their work during the brutal police attacks against protesting West Berliners. An ADN correspondent was knocked down and injured by a combat shield used by policemen blind with rage even though he identified himself as a press representative.

SED CENTRAL COMMITTEE GREETS CUBAN CP CONGRESS

AU191438 East Berlin NEUES DEUTSCHLAND in German 18 Dec 80 pp 1, 2

["Militant Greetings to the Second Party Congress in Havana: SED Central Committee Wishes Cuba's Communists New Successes"]

[Text] Berlin (ND)--The SED Central Committee has sent a congratulatory message to the Second Congress of the Cuban Communist Party. Signed by General Secretary Erich Honecker, the message reads as follows:

The SED Central Committee conveys fraternal militant greetings to the delegates to the Second Congress of the Cuban Communist Party and to all Cuban communists and working people.

The Cuban Communist Party, the combat-tested vanguard of the worker class and of the entire Cuban people, is able to refer to a successful balance sheet of socialist construction. Since its first party congress truly historic transformations have taken place in all spheres of social life. The development of the material-technical base of socialism, the enhancement of effectiveness of the national economy, the adoption of the socialist constitution, the further fashioning of the political system of socialism and the rise of the material-cultural standard of life of the people evince the possibilities of liberated labor, the vitality of the doctrine of Marx and Lenin. The revolutionary steadfastness with which the Cuban people are foiling all attacks of the imperialist reaction elicits respect and recognition among all peoples.

The creative socialist foreign policy of Cuba, its active role in the nonalined movement, the international solidarity with the peoples struggling for national and social liberation, have further enhanced its international authority. Closely linked with you, we sincerely rejoice at the great successes scored by the Cuban people under the leadership of their Marxist-Leninist party.

Dear comrades, the SED and the Cuban Communist Party, our peoples and states, are linked by a truly fraternal friendship and close cooperation which are based on proletarian internationalism and the common struggle for the solution of mankind's fundamental problems.

This fraternal affinity became impressively evident at the visit of the GDR party-state delegation to Cuba this summer. We would like to assure the delegates to the Second Congress of the Cuban Communist Party and the Cuban fraternal people that the communists, the GDR working people will do all they can to breathe life into the treaty of friendship and cooperation concluded during the visit.

In preparing for the 10th SED Congress, the workers, cooperative peasants, the members of the working intelligentsia, all GDR citizens are unfolding multifaceted mass initiatives to boost the efficiency of the national economy and to comprehensively strengthen their socialist fatherland.

The creative work of our countries' working people, of all peoples on the globe requires a durable peace, a reliable security. This is why the GDR and Cuba, together with all states of the socialist community, are undertaking resolute efforts to repulse the attacks of the most reactionary quarters of imperialism and of the Beijing hegemonists against peace, detente and social progress and to achieve in the eighties a turn toward military detente. The fact fills us with sincere joy that the worldwide front of the struggles against imperialism and for social progress is gaining strength more and more.

Dear comrades, the SED Central Committee wishes the communists and the entire people of the first socialist state on the American Continent full success in implementing the decisions of the Second Congress of the Cuban Communist Party for the benefit of our common cause of peace and socialism.

SED CENTRAL COMMITTEE GREETS ANGOLAN MPLA CONGRESS

AU201633 East Berlin NEUES DEUTSCHLAND in German 17 Dec 80 p 1

[ND report: "Fraternal Greetings to Angola's Vanguard: SED Central Committee Wishes MPLA Congress Success"]

[Text] Berlin (ND)--The SED Central Committee has sent a greetings address to the First Extraordinary Congress of the Popular Movement for the Liberation of Angola [MPLA] Labor Party. The message, signed by General Secretary Erich Honecker, reads as follows:

On behalf of the SED Central Committee and of all GDR working people I extend fraternal greetings to the delegates to the First Extraordinary Congress of the MPLA Labor Party. Our party members and the entire people are following with particular attention and great sympathy the development and strengthening of the MPLA Labor Party. Our party will also continue in the future to develop comprehensively and deepen the fraternal relations with the vanguard of the Angolan people, forged in the joint anti-imperialist struggle. Under SED leadership the GDR people will continue their traditional solidarity with the Angolan people in the struggle against imperialism and the continuing aggressions of the South African racist regime.

We wish success to the First Extraordinary MPLA Labor Party Congress which will adopt significant decisions for further strengthening the leading role of the party in society as well as on other important problems related to the country's development.

COOPERATION AGREEMENT SIGNED WITH CAMEROON

LD201638 East Berlin ADN International Service in German 1945 GMT 18 Dec 80

[Text] Berlin, 18 Dec (ADN)--Horst Soelle, GDR foreign trade minister today received Pierre Desire Engo, head of the government delegation of the United Republic of Cameroon and deputy minister for trade and planning, for an exchange of views on the further development of economic and trade relations. The two sides agreed to deepen their economic cooperation on the basis of existing economic possibilities and requirements, and agreed on the requisite measures.

As a result of the Cameroon Government delegation's stay in the GDR an agreement on economic, industrial and scientific-technological cooperation was signed today by Friedmar Clausnitzer, deputy GDR foreign trade minister and by Pierre Desire Engo.

PZPR CONGRESS COMMISSION HOLDS FIRST MEETING

LD210343 Warsaw Domestic Service in Polish 1500 GMT 21 Dec 80

[Excerpts] The first session of the Congress Commission devoted to the program and organizational premises for the Ninth PZPR Congress was held at the headquarters of the party Central Committee in Warsaw yesterday. It was chaired by Stanislaw Kania.

The presidium of the Congress Commission was appointed under the chairmanship of Stanislaw Kania. The following deputy chairmen were appointed: Kazimierz Barcikowski, Wojciech Jaruzelski, Jerzy Romanik, a miner and leader of a miners' brigade of Siemianowice colliery, and Witold Orzanowski, a foreman of the Komuna Paryska shipyard in Gdynia. The commission also set up a 30-member strong secretariat, under the chairmanship of Stefan Olszowski, and nine working groups.

Kania Speech

LD212146 Warsaw Domestic Service in Polish 2005 GMT 21 Dec 80

["Text" of speech by Stanislaw Kania, first secretary of the PZPR Central Committee at first session of the PZPR Congress Commission held on 20 December at party Central Committee headquarters in Warsaw--read by announcer]

[Text] I should like to wholeheartedly congratulate all who have been elected to the Congress Commission, which is an extremely responsible party organ and on which depends not only the preparation of the congress but also its importance and its course. We suggest that today, at the first meeting, we should discuss the preliminary programmatic and organizational precepts for the ninth congress.

The comrades have received the relevant document sent out on behalf of the Secretariat of the Central Committee in which there is a proposal for the setting up of the working bodies of our commission. I have in mind here the division into groups and also the proposal for the setting up of the presidium of the Commission and Secretariat. We all realize how great the expectations are connected with the congress not just in our party but throughout the working class, throughout the community.

It is expected that the congress will consolidate the line of socialist renewal. It will support the strengthening of the party, the regaining of its position among the working class and the community, and it will supply a full answer to the question of how to overcome the difficulties that stem from the deep economic and social crisis.

A great deal depends on the commission. It is important that the period of time right up to the congress should be utilized for a thorough drafting of the proposals for the program, for the consolidation of the strength of the party and its activeness, so as to bring about a universal participation in the construction of a program for the activities of the party in every sector, in every dimension.

It may be recalled that the Politburo submitted the idea for the convening of the congress as early as during the first part of the sixth plenum of the Central Committee. We started from the viewpoint that a new situation had materialized in our country and that it called for the creation of a new program. The idea to convene the congress soon met with a wide response in the form of resolutions and decisions adopted by party organizations.

The seventh plenum of the Central Committee adopted a decision concerning the congress. It determined the approximate date for its convening: at the end of the first and beginning of the second quarter of next year. Time is very short; it is a time for mobilizing and for this reason our task is difficult. We will have to discharge extremely responsible duties. The basis of our work on the program will be the thoughts and ideas proclaimed by us at the sixth and seventh plenums of the Central Committee. The Central Committee determined at these meetings the interpretations of the transformations taking place.

After the last plenum we undertook a number of concrete actions designed to overcome the difficulties.

Intensive work is going on on the economic reform, on the law on the trade unions and workers' self-government. The implementation of the recently concluded agreements is continuing. We are going halfway toward meeting the demands regarding elections in party organizations. The first weeks after the seventh Central Committee plenum testify to an increase in activeness, an enhanced sense of our obligations and a greater awareness of the consequences resulting from threats to the socialist renewal of life. This is an unusually important feature of the changes which are beginning to take place in the whole of our party. The balance is being restored between looking back and settling accounts, and future-oriented thoughts. This is very valuable. We should consolidate this process.

There is an improvement, although it is taking place slowly, in the social mood in our country. Evidence of this is the fact that we have not had strikes for a fairly long time now and that the ceremonies marking the 10th anniversary of the tragic events of December 1970 passed off in an atmosphere of solemnity and calm.

Nevertheless, there is still activity from positions opposed to us. At various meetings and gatherings, representatives of the Workers' Self-Defense Committee are voicing opinions which not only do not serve stabilization in Poland, but which are aimed against the fundamental interests of socialist Poland.

The situation in Poland is still a topic of great interest in the international arena. We attentively note all opinions and statements about us. We welcome friendly voices of which there are many, but we also have to witness attempts to artifically create an atmosphere of excitment and tension around our country, attempts to make use of the events in Poland to realize aims in conflict not only with our interests but also with the interests of detente and world peace.

We are interested, and demonstrate it not only in Poland but to the whole world, [words indistinct], it is our will that the process of socialist renewal should serve both the interests of socialism in Poland and the strengthening of our links of friendship and cooperation and alliance with the Soviet Union and with all the fraternal socialist states.

These intentions are meeting with understanding on the part of our friends; they understand the nature of the conflict and the difficulties with which we have to cope. They also perceive the threat to the implementation of the line which we decided upon at the sixth and seventh plenary sessions of the Central Committee. However, we continue to enjoy their trust. The faith in the wisdom of the Polish working class and in the effectiveness of the action of our party and its directing elements is great. The friendly understanding and support which were expressed at the meeting of the party and state leaders of the Warsaw Pact countries in Moscow on 5 December constitute further evidence of the trust in the programmatic line of our party adopted at the sixth and seventh plenary sessions.

Of exceptional value is the conviction, demonstrated by all the participants in that meeting, that Polish communists, the working class and the Polish nation will succeed in overcoming the present difficulties. This is the duty of our party. We are convinced not only of the necessity but also of the realistic possibilities of such action.

It is significant that at the same time there has been unleashed in the West a whole series of statements and comments whose contents are in blatant contradiction to the official declarations concerning noninterference in the internal affairs of our country. Speculations in mass information media have recently been joined by the highly placed circles of NATO and other political centers in the West. There continues an alarmist campaign of absurd insinuations about threats to Poland from our allies.

Insinuations of this kind have been contained in the communiques from the recently ended session of the NATO Council. An especially provocative and cold-war nature marks the statement by NATO Secretary Luns. We strongly protest such activities.

The West's present political propaganda campaign does not serve the process of normalization and renewal of public life in Poland. This is an extremely irresponsible game which not only hampers this stabilization of the internal situation of our country, but which also leads to an aggravation of relations between West and East, to the undermining of the process of detente in Europe and to the increase in international tension.

The campaign of ventures contrary to the interests of peace and detente has recently been joined by Beijing. Statements and the comments appearing in the PRC coincide in their contents with the utterances made in the West. They contain low-caliber attacks against CEMA countries and they constitute yet another proof of the antidetente and antisocialist character of the policy pursued by the Chinese leaders. All actions of this kind, contrary as they are to the vital interests of socialist Poland and calculated to undermine the bonds of alliance and friendship with the USSR and other fraternal countries, will be resisted by us with full determination.

We shall never agree to a situation in which anybody exploits what is going on inside our cournty or what concerns socialist Poland and its alliances for purposes which are contrary to the interests and aspirations of our nation and our state and the interests of international security.

We want to believe that realism, commonsense and a sense of responsibility will triumph and that the conviction will strengthen that Poland, solving its internal problems in accordance with the interests of its socialist development, is doing this with the idea of strengthening and stabilizing peaceful order in Europe, of strengthening the positive achievements of detente and international cooperation. We will with all consistency redouble our efforts and our contribution to this cause.

A serious discussion on what the congress should straighten out has been going on in our party for a fairly long time now and it has been marked by no small amount of emotion and high temperature. It confirms the great potential strength of the party and it testifies to the enormous creative possibilities of basic party organizations. The task of the commission will be to make use of this natural activeness of party members, to direct the ongoing discussion and to use the collective wisdom of the people in the process of shaping an optimum program for getting out of the current difficult situation and on the road of successful social and economic development.

The form of the program assumptions of the ninth congress is being born and will be born from these thoughts, from an assessment of our difficulties and their causes, from the program outline oriented toward the renewal of social life in our country--socialist and democratic at the same time.

We envisage the initiation and carrying out by our commission and its auxiliary teams of a discussion at the meetings and at various gatherings with the aim of accumulating the capital which we call the collective wisdom of our party, and to present its formulation in assumptions for the congress. We also envisage members of our commission having broad contact with party organizations--not only with the parent organizations--and their participation in meetings and gatherings not only in their own milieu. This will be an important innovation in the work of the Congress Commission and will enable the collection of opinions, assessments and proposals which are being born in our whole party, in its individual cells. We also expect a rich yield from the discussion among activists of the ZSL and the SD, the trade unions, both branch unions and the Solidarity union, youth organizations and all social organizations.

We expect broad participation in the discussion by all working people and creative milieus. We are pleased at the gradual and positive changes taking place in the press, radio and television, which should be one of the dimensions of this discussion.

We want the mass media to more actively support the efforts of our party. We want them to explain more fully and effectively all those things that should pave the way for democratic renewal. At the same time we want them to constitute a weapon against threats to its socialist character. Without this support it will be difficult to implement our plans.

We assume that the working title of our document should read: The Premises for the Program for the Development of Socialist Democracy, Strengthening the Leading Role of the Party in Socialist Construction and Stabilization of the Socioeconomic Situation of the Country.

We suggest the creation of conditions under which all members of the commission will be able to present their stand and not just participate in what will be drafted by small editorial groups. Consequently, we suggest the division of the commission into working groups, subcommissions. We assume that there will be eight of these. The comrades are familiar with their names. We are short of subcommissions for international problems. We assume that this part will be worked out by the Secretariat of the Congress Commission and submitted to the whole body of the commission.

We have suggested to the comrades their participation in individual groups. They encompass a number of problems. We give priority to the problems of the party, its ideological consolidation, cohesion, and the strengthening of the leading role of the party vis-a-vis the whole community. It will be necessary to reflect on everything that is conducive to the activeness of the party members in the life of the party organizations, all that stresses the leading role of the elected echelons vis-a-vis lower echelons and the party operators.

It will also be necessary to examine and suggest all the means to protect the party against distortions which are today the source of difficulties experienced not just by the party but by our whole socialist country, its working class. It is also necessary to undertake work on necessary changes in the statute of our party.

Great problems face us in the area of the development and consolidation of socialist democracy. There are a fair number of issues to be examined in this connection. The proposals put forward in the party and outside the party are very comprehensive. They pertain to the streamlining of the representative organs and their functions, the development of workers' self-government and so on, and also to the strengthening and perfecting of the state organs, the widening of social justice in everyday life or the streamlining of socialist interpersonal relations.

Defining the line of our social policy in this area constitutes an important target. There is the need for working out a clear position of the party as regards forms of cooperation with the trade union movement, respect for its independence and self-government, while showing concern at the same time for the movement to be of a socialist character.

It will be necessary to express our view on directions in the development of workers' self-government as an important factor in cogoverning, and to determine the priorities in the social policy of our party. One should not expect us to achieve in a short period of time something that will radically alter the economic situation. All the more important is the question of the mode of functioning under these conditions of all that which forms part of the principles of social justice, which are so essential in life.

In the program precepts for the ninth congress we must present a synthesis of the economic situation, ways leading out of the crisis, and directions for economic reforms in our country as well as fixing new priorities, especially as regards investments.

We must devote particular attention to the questions of agriculture and the market, and especially to the perceptible improvement in the supply of basic commodities, as well as to the improvement of the solvency of our national economy and to the development of housebuilding. Here is a subject for discussion: Would, besides just such a synthetic presentation, a more fundamental document perhaps be necessary, a document having the character of a thesis, a document which would contain more concrete precepts quantifying more precisely the way out of our economic crisis?

The elaboration of the economic part of our programmatic precepts will be a very difficult task since our situation is difficult and our capabilities are limited. Therefore, it is important that we should attract and encourage to take part in the work conducted by the commission, as well as within the elements of the government, people representing our whole intellectual potential available to the nation. We must call upon all sections of the public which can be of assistance in this matter, both the scientific and engineering-technical sections, and also upon the workers' and peasants' self-government and the party as a whole.

In these precepts we also intend to define key tasks in the area of the superstructure: education, culture, upbringing and the role of the young generation. Here too the work of the commission should take into account the view of the sections of the nation concerned with the relevant issues and the party aktiv. We should approach with great thoroughness all proposals and suggestions. The theme of the work of the commission should be the concern for the detailed definition within each area of elements that follow from the general orientation, from the line which aims at consolidating the principles of social justice in the functioning of our life and in our politics. What is at stake is justice interpreted as an equal chance for everybody. At moments when a shortage of resources is generally felt and when there are not enough of those resources which are to be shared, especially rigorous priorities of benefits must be established and these must take into account those who are in the worst situation. We must demonstrate, in the course of the preparations for the congress and at the congress itself, that there is no retreat from the line of socialist renewal.

This is also the general expectation. It is a thought which should appear in each section of the programmatic assumptions of the ninth congress.

We have proposals regarding the organization of the work of the Congress Commission and we envisage the establishment of eight groups. Comrades have received the list. We have tried to take into consideration the personal wishes of those interested. We think that our work can be so distributed as to work out by the deadline of 5 January the initial draft programmatic assumptions in the form of theses. On about 10 January a meeting of the Congress Commission could take place in order to discuss the prepared material. At that time, too, we could fix further deadlines for the commission's work. It is necessary for each working group to fix a work schedule, to appoint an editorial group, and to decide on a list of people or institutions with which it should collaborate. A need will undoubtedly arise to compile many expert reports and the already accumulated expert reports and proposals should be used.

We also propose the appointment of a commission secretariat, whose task would be to gather and edit all the documents. We put forward for discussion the proposal to publish a commission bulletin in which information would be given about its work or the material coming into it. This bulletin would be intended primarily for commission members and perhaps for local party echelons. The work of the Central Committee and of all local party organizations should be reorganized in such a way as to direct it first and foremost toward good preparation of the congress.

The point is not only to compile apt programmatic proposals, but also for the whole party to prepare itself for the congress, to awaken its activeness, to restore and strengthen its standing among the working class, and to consolidate the ideological, Marxist-Leninist precepts. This is essential so as to enable the congress to fulfill the expectations of the party itself and the whole nation.

## SEJM MEETS TO DISCUSS ECONOMIC PLAN, BILLS

### Kisiel Speech

LD192028 Warsaw Domestic Television Service in Polish 1635 GMT 19 Dec 80

["Excerpts" of speech by Henryk Kisiel, deputy chairman of the Polish Council of Ministers and chairman of the Council of Ministers Planning Commission to 19 December Sejm session in Warsaw--recorded]

[Text] Citizen speaker, may it please the house. Empowered by the Council of Ministers, I wish to present the draft bill on the national socioeconomic plan for the year 1981, which has been submitted to the house.

While constructing this draft, we took as the point of departure the provisions which I had presented to the house at the sitting on 8 October this year. The extensive discussion on the information presented at that time, and especially in the Sejm commission for the economic plan, budget and finances, and in the intercommittee problem groups, and also the proposals contained in the collective opinion of this house, have considerable enriched the original concept of the plan and for this contribution I wish to thank the citizen deputies cordially.

In the course of the plenary debate, and in the discussion in the house, the government proposals concerning the social aims of the plan for next year met with approval and support. That is why the government in the draft plan aims at their full implementation, despite a more complex economic situation prevailing at present, and despite the greater difficulties which will be linked with their implementation.

An expression of the implementation of the changes in the direction of the developments in our country--initiated at the sixth and the seventh plenum of the Central Committee of the PZPR, as well as at the previous sessions of this house, and also resulting from the social agreements signed with regard to the population's living conditions--is found in the increase in all incomes of all groups in the nation.

In the provisions of the plan for next year it was decided that taking into account the government decision on a rise in wages for all employees of socialized economy, the wages fund will increase in 1981, in comparison with this year, by about Z150 billion, that is, about 16 percent. The state's expenditure for social reasons will also go up considerably.

Taking into account the rise in family benefits already implemented, with preference being given to families with lower incomes, and to families with several children, expenditure for these benefits will go up by about Z5 billion, that is, by more than one-third.

As citizen deputies know, from 1 January 1981 pensions, family and disabled benefits will go up, having been approved before 1 January of 1976. [as heard]

I wish to inform the house that recently the government has made a decision on expanding the range of higher pensions and benefits, embracing also pensions and benefits of up to Z5,000, approved during the years 1976-1979, and also pensions given in return for handing over farms to the state before the coming into force of the law about pensions and other benefits for farmers and their families.

Taking into account all these decisions, and also the increase in the number of people entitled to the pensions and benefits, the state's expenditure for pensions and benefits is going up in 1981 by about Z40 billion, that is, by nearly 30 percent.

The state's total expenditure for monetary social contributions, taking into account also the expansion of the number of people entitled to them, the raising of their ceilings, and the widening of the range of those entitled to contributions from the alimony fund, will go up in 1981 by more than Z56 billion, that is, by about 29 percent.

This points to the very great scale of efforts born in this very difficult economic situation by the state with a view to improving living conditions for veterans of labor and for families with the lowest incomes. In 1981, farmers' incomes will also go up significantly.

In accordance with the information submitted at the preceding session of the house we have increased the prices for the procurement of milk and livestock-producing beef, pork and poultry; and from 1 July 1981 we will increase the prices for the procurement of cereals, grapes, sugar beet, hops and tobacco. We estimate that the population's income from the sale of agricultural produce to economic units in the public sector will increase in 1981 by about Z63 billion or by about 24 percent. Of this, approximately one-third will be accounted for by the actual increase in the volume of procurement and two-thirds will result from the rise in prices paid for procurement of farm produce. We assume that the increase in the population's monetary income, as a whole, will amount to a total of about Z290 billion, that is, about 18 percent.

Apart from the increase in people's monetary income available for individual spending, there will be an increase in state spending on items of general consumption. Aware of our urgent needs, we are introducing in the 1981 plan a substantial increase in investments in health care, education, culture and arts. It is proposed to spend some Z127 billion on health care in 1981: This represents an increase of approximately 27 percent in comparison with 1980. In order to overcome the considerable shortage of medicines which has been felt this year, we intend to increase supplies by about Z3.5 billion, that is, by more than 12 percent; this includes medicines imported from abroad amounting to more than Z100 million hard currency, that is, an increase of over 25 percent. For education, including tertiary education, in 1981 we intend to allocate a total of approximately Z114 billion, that is, about 15 percent more than in the current year. Expenditure on culture and arts, including expenditure on radio and television, is to be raised in 1981 up to about Z19.1 billion, an increase of about 15 percent in comparison with 1980. The allocation of paper, for instance, for publications undertaken by the minister of culture and arts is to be raised by about 15 percent, and allocation of paper for the RSW [Workers Publishing Cooperative] "Praca-Ksiazka-Ruch," mainly for the printing of newspapers and periodicals, by about 6 percent. Altogether the allocation of paper for these purposes will rise in 1981 by about 20,000 tons. In accordance with the demands put forward by Sejm deputies, this additional amount of paper earmarked for publication purposes will be obtained through administrative economies and saving on unnecessary packaging and unjustified publicity printed matter, while the total consumption of paper in the country is to remain unchanged next year in comparison with 1980.

Describing the measures undertaken in order to achieve progress in these spheres, which are socially so important, I have used the dry language of figures, employing such expressions as billions of zlotys, thousands of tons and percentage indices in order to provide you with a tangible idea of the scale of effort which, despite the great difficulties of the current situation, we expect from our national economy in order to satisfy to a greater degree, the needs of the public.

We expect also that the personnel in those fields of the national economy will make a more rational use of the increased resources at their disposal because this point will in particular decide the extent of the improvement achieved and the public assessment of this improvement. Altogether the ventures outlined in the plan with regard to social policies will involve a tremendous outlay of funds on these objectives. I would like to state openly that this expenditure exceeds our present economic capabilities. In the course of implementing the plan we shall have to attain new capabilities and potentials by increasing material output and, above all, by a rise in labor productivity. The more so, in these conditions! We must regard as socially irresponsible attempts to continue to exert pressures aimed at attaining increased wages and social benefits.

The next social objective undertaken in the plan for 1981 is reduction in working time. In accordance with the announcement already made, the government will submit for public consultation a draft bill envisaging for 1981 the introduction for most employees of 50 work-free days in addition to Sundays while fixing the duration of the working week at 42.5 [as heard] hours.

The discussion on this draft was dominated by a concurrence of opinion regarding the need to shorten working hours; on the other hand, difference of opinion occurred on the method of implementation. Some of the interlocutors proposed a far-reaching shortening of working hours as early as next year. I want clearly and completely openly to state that the government thinks such a proposal difficult to accept because of the consequences which it would cause for material production and, ipso facto, for our society's living conditions. A considerable number of those taking part in the discussion came out in favor of a staggered shortening of working hours, for example, over several years.

In accordance with these latter realistic proposals, the government is currently preparing a new project of shortening working hours. It is proposed that in 1981 working hours should be shortened in such a way that the majority of employees are guaranteed half of the work-free Saturdays and of achieving on an annual scale a work week averaging 42.2 [as heard] hours.

On the suggestion and with the agreement of work forces, it will be possible alternatively to introduce, in individual plants, a greater number of free Saturdays within the framework of the accepted 42.2 [as heard] hours per week.

The possibility is also being considered that plant work forces, which thanks to improved organization and increased labor productivity ensure earlier a correspondingly higher level of production in a shorter working time, could also correspondingly earlier obtain the right to a greater number of additional days off than those fixed in a given year for employees in general.

There should be a separate solution, but new according to the general principle of shortening working hours, for those people whose work is directly connected with services to society and plans for working round the clock.

Because of the exceptional economic significance of maintaining the highest possible extraction of coal and other mining, it will also be essential to introduce in mining an organization of labor which will enable a shortened working week for miners to be reconciled [word indistinct] with the 6-day working week of all (?mines).

One important social goal is the development of housing construction. We realize the enormous social [word indistinct] of meeting the needs for flats in our country. Despite all the complications of the economic situation, we do not want to limit the scope of housing construction; on the contrary, we want to develop it as quickly as possible. In the draft plan we propose fixing the number of newly commissioned flats at 240-248 [as heard]; that is about 1 to 3 percent more.

But we do not want to continue the bad practice of counting flats not actually completed in a given year and in this connection we forecast in the plan for 1981 the actual completion of that number in the plan year. This is also justified by the fact that it is at this very level that the current real executive potential of socialized building enterprises and the executive and materials potential of the entire individual housing construction industry are, as well as (?the fact) that in some urban centers the development of housing construction is, being limited also by the technological possibilities of the development of heating plants, heating networks, the water and sewage network and other installations. In this connection we shall put before the construction institutions the task of achieving marked improvement in the quality of contract work.

At the same time we would like to take up in 1981 the task, neglected in recent years, of comprehensively implementing construction of new housing estates, including the construction, in parallel with housing, or commercial, service and social-welfare facilities.

This task, if carried out next year, should start the process of making up the backlog which has arisen in this field.

May it please the house: This year's harvest failure and the shortages of many farm products which resulted from it will exert an influence in 1981 on market supplies and intensity, in many sectors the serious difficulties which are now being experienced. This is an additional complication in the already so involved financial and market situation. In this connection, all efforts aimed at the alleviation of market difficulties, and especially food supplies, are of great importance. Our draft plan provides for increases in all market supplies of goods in all their ranges, of Z34 billion. It is a resultant [wypadkowa] figure which hides the reduced supplies we expect of meat and animal fats which are the result of lower procurement, and the reduced output of sugar, which dropped by about 28 percent in the current sugar production campaign.

In all, we expect the reduction of market supplies of these goods, for which we cannot make up existing shortages, to amount to about Z30 billion; I am talking about meat and sugar. At the same time we expect increases in supplies of other foods amounting to about Z24 billion. And so if we discount the food industry, in other industries the increase in market supplies amounts to Z64 billion.

In the draft plan we attempted to make the greatest feasible use of all possibilities of providing food supplies for the consumer by, among other things, increased imports and cuts, as much as was possible, in exports. Thanks to these measures, in some vital sectors we may be able to gain a slight improvement. Of special importance here is the role played by aid from the Soviet Union and other socialist countries which have, in the fourth quarter of this year, announced and provided to our country considerable deliveries, in addition to those planned, of several types of foods and farm products.

We are also looking for other sources of improvement in market supplies of foods. Of late we have embarked on talks with Western European countries which are aimed at obtaining from those countries supplies of meat, butter, sugar and other needed food products on convenient financial credit terms. We are also trying to take advantage of the possibilities now becoming apparent of increased imports of some foods and farm products from the developing countries.

As a result of measures taken at home and of additional imports, we expect that, compared with this year, next year we shall be able to increase, among the basic foods, the supplies of poultry by about 4 percent, butter by about 1 percent, flour by more than 6 percent, groats by about 5 percent, rice by about 50 percent, and vegetable fats by about 46 percent.

In relation to meat, because of the fall in supplies, and in relation to butter, because supplies will be maintained at about the same level, and given a rapid growth in demand, our ability to supply the customer will be connected with the introduction of a rationing system, a system of ration cards, taking into account the public consultations. We are now engaged in amending the principles of rationing of these foods, and decisions on this matter will be made very soon.

The progress of the current sugar campaign indicates that sugar production will amount to just over 1 million tons and will be about 400,000 tons lower than last year. In this situation and despite additional imports it will not be possible to meet all our needs. In this situation we shall have to introduce, until next year's sugar campaign, lower rations of sugar sales. In comparison with food, the prospects for market supplies of many industrial consumer goods look much better; their total supplies should be greater by 6 percent when compared to this year.

We are expecting a preference for articles of general use at the expense of luxury articles.

As I have already said, there will also be increases in supplies of products used in agricultural production, and of building materials, for inhabitants of the country and the cities. The increase of supplies in so-called nonconsumer articles is estimated at about seven percent.

In the existing situation, in the course of the implementation of the plan we shall have to search for further possibilities for increasing supplies for the market, especially supplies of basic articles, articles in general use.

We shall aim at increasing exports of some market articles of higher quality and use the funds thus obtained for additional imports of foodstuffs.

May it please the house. While protecting the level of consumption to the maximum degree, we assume that next year we shall implement limits in investment funds by about Z90 billion, that is, by about 15 percent in comparison with this year.

In this connection, the investment burden on the national income through investments will go down from about 19 percent during this year to about 14 percent in 1981.

These limits will primarily hit the large, capital-absorbing investments with long implementation cycles, which we have already stopped. We are also stopping the implementation of a number of administrative buildings, and also other undertakings of lower urgency, or of lesser economic and social importance.

On the other hand, we are creating conditions favoring investments in private farms and in light production, in services and in crafts. In the key sectors of the economy, we are giving preference primarily to modernization and to quick-paying investments.

At the same time, we are limiting investments selectively. We are ensuring the rapid conclusion of undertakings which in 1981 may become productive, serving the needs of the market and of exports; and we are solving other urgent needs of the economy such as, for example, increasing the capacity in the power industry.

May it please the house. In compliance with the forecast contained in the decision of the sixth plenum of the Central Committee of the PZPR, the Council of Ministers has recently made a decision on changes in 1981 in the system of management of state enterprises.

The decision ensures for enterprises a considerable expansion of prerogatives, and it creates a basis for the expansion of responsibility for the results of management. The decision, in a fundamental way, curbs the scope of many directive tasks which may be given to enterprises and limits these tasks to the following areas:

1. The production of a limited number of named products centrally financed, and the delivery of named products for export, for the home market, and for the country's defenses;

2. The value of export deliveries in foreign currency zlotys to the different payment regions; and

3. Significant tasks in the field of investment construction.

The remaining tasks will be defined by the enterprises themselves, helping each other through agreements signed between themselves, which would define mutual obligations.

The enterprises at the same time will receive from their superior units the allocation of the means, and in particular, the allocation of materials, machinery, equipment, means of transport, the allocation of foreign currencies from investment funds, and the principles for shaping the wages fund.

I stress: the principles for shaping the wages fund. These principles are thought out in such a way that enterprises are ensured means of payment at a level achieved in the current year together with increases emerging from decisions on pay increases, with the proviso that the total sum of these means will be amended upward or downward depending on increases or drops in production. Enterprises will gain freedom in managing a wages fund thus defined, with the proviso that the fund's entire quota saved as a result of decreasing employment can be earmarked in full for pay raises for the remainder of the (?employees).

Enterprises are also gaining freedom to plan their activity, limited only by a few directive tasks: principles shaping the wages fund and the obligation to aim at improving the synthetic results of economic activity. The draft plans for enterprises are presented by the directors of enterprises to enterprise workers' self-government bodies for examination and approval. These plans should, among other things, define the links between realization of tasks and an improvement in the living and social conditions of work forces.

So the changes introduced in the methods of planning and management are a decisive step aimed at increasing the independence and self-government of enterprises, and in this connection to awakening their initiative, leading to a constant improvement in results. In the near future decisions will also be introduced concerning extending the powers of local administrative authorities. These envisage putting within the competence of the local economy: agricultural units, local farming industry services, some building construction enterprises serving local needs and local road problems. At the same time there will be a corresponding extension of the financial and budget powers of local administrative authority units, linked with an increase in their independence and responsibility for managing their own assets. The introduction of these changes will be accompanied by intensive work on the basic directions of complex economic reform, whose basic assumptions will shortly be announced and submitted for wide social discussion.

Citizen deputies: In the conviction of the government the national socioeconomic plan for 1981, the 3-year stabilization program and the 5-year plan being prepared, on which we will be working intensively in the coming year, will be the next link in the process of overcoming the crisis in which our economy has found itself, and in putting Poland again on the road of economic growth. In this conviction, the government places before the high chamber the draft of the national socioeconomic plan for 1981, asking that it be approved.

## Krzak Speech

LD192300 Warsaw Domestic Television Service in Polish 1635 GMT 19 Dec 80

["Excerpts" of speech by Polish Finance Minister Marian Krzak to 19 December Sejm session in Warsaw--recorded]

[Text] Citizen Speaker, Citizen Deputies. During the discussion on the initial assumptions of the plan and budget for 1981, citizen deputies stressed that the leading aim should be to ensure the implementation of new social undertakings and the protection of the standard of living, particularly of families and social groups with the lowest incomes. I would like to say that the draft budget and plan presented clearly aim at these objectives. The changed proportions of budget expenditures in the plan eloquently show the priority positions of health protection and social welfare, education, culture and the food economy.

We want to earmark more than Z230 billion for the financing of social and cultural actitity, which is almost 23 percent more than this year's expenditures, whereas in the 5-year period now ending, the average annual increase in expenditure for social and cultural purposes amounted to 10 percent and so the annual average (?growth rate) was 2 times less.

The new budgetary allocations in this sphere have been assigned in such a way as to create better conditions for sectors which have been neglected up to now. Priority has been given in the draft budget to the needs of health service and social welfare institutions, for which allocations are increased by almost one-third. The overwhelming part of the additional assets will be earmarked for pay raises, but at the same time, at a cost of Z9 billion, we will finance the extension and improvement of service in this sphere. I am thinking here primarily of increasing the number of places in in-patient medical facilities and in social welfare homes by more than 10,000; and an average annual increase in employment by 20,000 employees. Better pay and an increase in employment should further improve the quality of these very important services. We also propose an improvement in the norms of feeding of the sick in hospitals, by as much as would fully compensate for the increase in prices and improve by 10 percent the quality of the food.

The draft budget also envisages a corresponding increase in the assets for treating the sick in hospitals by up to Z840 million, that is, by more than 10 percent, and of assets for medicines for those entitled to them by more than Z2 billion, that is, almost 11 percent. If necessary, a further increase in the allocation will be made if it turns out that there is the possibility of increasing the production of drugs.

The draft budget submitted also permits an increase in other expenditures in hospitals, averaging Z25,000-Z28,000 per bed, for such purchases as bed linen and cleaning agents, for the upkeep or rooms and so forth.

The rational use of these increased assets should permit a perceptible improvement in health services. We think that, in a similar vein, expenditures on social welfare, which are to be increased to a similar degree, will bring an improvement in this sector.

We shall increase funds for homes for the elderly and infirm, and we shall raise by Z1 billion, that is, by 43 percent, means for assistance and benefits, so that they will increase in proportion to the increases of the lowest pensions and benefits.

For education and upbringing, including higher schools, we are increasing budgetary allocations by about Z15.5 billion. Of this sum, a particularly large sum, Z10 billion, which is more than by one-fifth, [as heard] is being used for general education and for upbringing, that is, for that sector which is the fundamental sector in education and at the same time suffering most from neglect in the field of education.

All in all, the increase of funds for education and upbringing, after being used to increase wages, will enable us to finance additional expenditures connected with the increase in the number of children in kindergartens and vacation groups, to commission new classes in basic schools, and to improve feeding norms in boarding schools and school canteens.

We also took into account better supplies for pupils in special schools and payments for children with foster parents.

Additional funds for higher education will ensure the continuation of new programs, a certain improvement in equipping student hostels, and the necessary funds for their operation.

In the field of culture and arts, excluding radio and television, the draft budget provides for an increase in expenditure by more than one-fifth.

After coping with increased wages, we are ensuring necessary funds for cinematography, and in our concern for further and generally postulated expansion of reading, we propose increasing funds for the purchase of books for general libraries by 20 percent, and apart from this, in the draft budget we have reserved Z500 million which will be spent in accordance with the special program demanded by deputies to enliven cultural work.

This program will be prepared by the minister of culture and art, with the participation of cultural workers.

Of significance with regard to the population's living conditions are financial means earmarked from the budget for the municipal economy and housing. The funds are increased in the draft bill by Z9 billion, which is also by more than one-fifth, and are aimed in particular at maintaining the level of payments hitherto in force for municipal services and rents, with an increase in wages for employees in these sectors. The funds are also aimed at the widening of the range of total overhauls of buildings providing accommodation, and this, in addition to new construction, will improve our housing situation.

In our aim to maintain the level of consumption of persons earning lower wages, the draft budget ensures means for the financing of raises in wages, already introduced, and for higher pensions and benefits forecast for the beginning of the year, which will be expanded to cover pensions and benefits granted during the years 1976-78, and in the case of pensions of up to Z3,000, also in 1979.

Thus, the increase in pensions will not be limited to the increases made prior to 1976 but will be expanded, as already stated by the chairman of the planning commission, to cover agricultural pensions as well.

All in all, this creates in the budget the need to increase expenditures, not counting expenditures from the pensions fund, by about Z35 billion.

It is assumed that the maintaining of the standard of living of the lower income bracket groups will also be helped by increasing subsidies for some articles and services purchased by the population at prices which do not cover the cost of production.

The main item is foodstuffs. Next year we shall have to subsidize them by Z228 billion, that is, nearly 40 percent more than this year. The highest subsidies will go to meat and dairy products, cereals, sugar and fish.

After the last increases in the purchasing price for every kilogram of meat--and here I will quote statistics which I quoted during the initial presentation of the budget, even though the figures have gone up since--we shall be increasing the price of 1 kg of pork by an average of Z53; of beef, by Z48; of 1 kg of butter, by Z101; the subsidy amounts to Z15.5 for 1 kg of sugar sold on the retail market; to Z7.3 for 1 kg of flour.

I already had the opportunity to tell the House that subsidies, despite their social motivation, arouse numerous controversies and reservations with regard to their desirability as a form of social insurance.

It is well known that they apply to all citizens, thus the view that both those who earn a lot as well as those who earn little benefit from them; perhaps the view that those earning a lot benefit more is correct. That is why we must not ignore this matter but must search for methods which while enabling us to fully guarantee incomes for lower and medium earners, will at the same time enable us to shape a more just distribution of goods in the nation.

The liquidation of the system of subsidies would remove the source of many economic wrongs. An extensively developed system of budget subsidies embraces not only market goods; we are also using subsidies in the production of supplies, and we are using [words indistinct].

For example, in the draft of the state budget, we had to increase considerably, by Z42 billion, a subsidies for coal mining, mainly in connection with the drop--let us hope a transitional drop--in the export of coal, which is very profitable.

The system of subsidies is necessary in the existing system of domestic prices. The income obtained from the sale of many articles and services does not cover the cost of production and does not ensure profit for many enterprises.

But in the long term, we should not, and we do not want to accept this state of affairs. The system of prices cannot be burdened by such faults as it is at present, because it has become a destructive factor in the economy, because it does not allow us to maintain correct accounting of costs and effects of management; it does not encourage economy in the use of materials and raw materials, and it even favors wastage.

For the time being, however, until we prepare correct and generally accepted solutions, we have to accept the fact that the state budget to a considerable degree fulfills the role of a cushion to compensate for the incorrect system of prices, but we are treating this situation as being transitional, which will change radically after the necessary reform of the system of prices for supplies.

Unfortunately, this reform was not properly prepared, and it was necessary to postpone it so that it can be better prepared, which will occur next year.

At the same time as a considerable increase in financial assets for the needs of the food and housing economies; for social insurance; for social and cultural services and food subsidies, it is essential on the other hand to introduce energetic economy drives aimed at curtailing nonessential expenditures.

We envisage savings in the cost of maintaining the state administration in the economy in general. They will be implemented primarily by limting employment. As a result, the share of employment in the state administration and in the administration of justice in the general employment in the socialized economy will drop from 2 percent in 1970 to about 1 percent in 1981, despite an essential increase in employment to service the intended system of regulating the sale of meat and some other commodities.

The certain small increase in expenditure in this sphere shown in the draft budget is connected not with an extension of the administration but with the pay raises which also covered the employees of this sector.

The number of full-time posts in the state administration will drop by almost 5,000. Moreover, the government has decided on a further reduction in the number of cars in socialized units by 25 percent. Savings will be continued in expenditures on advertising, decoration, entertaining and similar outlays. Construction of more than 70 administrative buildings at an estimated cost of Z7 billion has been halted, which will yield savings next year of about Z1 billion.

In planning the budget, we acted on the assumption that enterprises will participate to a greater extent than before in the distribution of their profits and the formation of their funds. In supplying the state budget, we assume that there will be a tendency in enterprises toward improvement in management effectiveness and particularly a drop in material costs. We predict that in socialized enterprises the material costs will drop by 1 and 1/2 percent, including in industry by 1.6 percent.

Favorable conditions for an improvement in management should be created by the announced changes in the system of managing enterprises. The annulment of a series of restrictions, expressed in directive indices and limits, opens a wide field for economic initiative and drive, especially in the sphere of improvement of the material economy, of using recycled raw materials and similar activities.

This should be furthered by the linking of the formation of the pay fund with the net production of an enterprise, which is influenced not only by the quantitative rise in production but also by the level of material costs. Citizens Deputies, in the situation where the main task is to stabilize the economy, a condition of which is the liquidation of the market imbalance, a particularly important matter is the proper formation of tax policy in relation to the nonsocialized economy and to the population.

Citizen deputies drew attention to this in discussions on the initial assumptions of the draft budget. In relation to the individual economy, in agriculture, we assume the maintenance of a stable tax system, which promotes activity and intensifies production on farms. We envisage the introduction of additional reductions for farms in mountain areas; at the same time, in the (?bank) credit plan, a distinct preference has been made for the development of the individual farming economy, an expression of which is the large--as much as one-third--increase in investment credits for the individual economy. We also envisage a considerable increase in turnover credits, which will be flexible and adapted to the requirements resulting from the increased supplies to agriculture mentioned by the chairman of theplanning commission.

Credit is also extended to small, dual purpose farms, which undertake to develop animal husbandry. It is also envisaged that there will be an increase of special credits when these farms--and I am thinking of dual-purpose farms--swith over to more intensive agricultural production, and especially in cases where their owners give up working in the socialized economy.

The government has also made a decision pertaining to an essential change in the disposal of the agricultural development fund. This fund, which amounts to over Z3.7 billion and which so far has been managed by the cooperatives of the agricultural circles, is now to be placed at the disposal of the self-governing agricultural circles and their union. In this way there will be an appreciable financial strengthening of the rural self-government, which will enable it to support enterprises which will stimulate the development of agricultural production and which will also make possible the satisfying of social and welfare needs of the countryside, as demanded by many deputies, in particular representatives of our Polish countryside.

The Polish fiscal policy vis-a-vis crafts and the rest of the private economy outside agriculture will primarily answer the needs for further expansion of the activities of that economy [passage indistinct]. It is being assumed that the positive influence of the development of crafts and small-scale production on the market situation will make it possible to bring about an increase in tax revenue. Consequently, the current, favorable basic precepts of taxation will remain in force. They make it possible for the craft services and those that produce market goods to achieve an advantageous level of profitability.

Since the question of the taxation of crafts has been widely discussed recently I should like to explain that the prepared drafts amending the taxation policy will be of a very restricted nature. In the course of the past few years the fiscal burden of crafts production has been reduced from some 12 percent per unit in 1976 to 8 percent in 1980. The taxation of taxpayers paying taxes on the basis of a fiscal chart or treasury dues has been reduced from 4 percent to 3 percent.

The intended amendment of the taxation policy which removes only some disparities in individual groups of crafts will, however, not increase the overall burden on crafts very substantially as compared with the previous years, since the fiscal burden will amount to less than 9 percent next year for all crafts and only 4 percent for enterprises paying fixed taces. These commitments will therefore remain on a very moderate and preferential level.

It is understandable that such a fiscal policy should be accompanied by the proper improvement of the discipline of payments, in particular concerning taxpayers with high incomes.

## Rationing Discussion

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[Text] After the statements made by Deputy Premier Kisiel and Minister Krzak something entirely new happened in the Sejm session today. For the first time in the practice of our parliament the deputies addressed questions to both speakers. In all 21 deputies asked questions concerning matters which aroused doubts and even controversial questions. Both rapporteurs supplied exhaustive answers.

Then Deputy Lidia Wolowiec put to Minister of Domestic Trade and Services Adam Kowalik an interesting question of a matter which think is today of great interest to all of us.

[Begin recording] [Wolowiec] Comrade deputy premier, reference has been made to the fact that the government intended to carry out a revision of the system for the sale of meat, sausages and animal fats for coupons, which has been submitted for consultation. In view of the immense social interest in this problem--and I understand that the government is still working on it--could we obtain a few words of information at least as regards the general lines of the intended revision?

[Kowalik] What I will say has not been decided yet. It constitutes a proposal prepared by the Ministry of Domestic Trade and Services. I must state that the consultation which we have been conducting for the past few weeks was a very broad consultation. In fact it is still going on. This consultation yielded many remarks and suggestions. Attempts were made to make a very thorough and honest examination within the possible limitations.

The main attention was focused around the size of the norms. This fundamental problem is conditioned by the size of the deliveries of meat in bulk to the market. Today we know that, compared with this year, these deliveries will be lower by 400,000 to 450,000 tons. The introduction of coupons is connected with the obligation to ensure supplies resulting from this change. We suggest introducing rationing for one quarter with the possibility, depending on the development of the situation, of furtber correcting the norms originally suggested.

I should like to inform the esteemed house that, assuming a very economical husbandry of the meat in bulk, it is suggested--as I said, there have been no final decisions yet--to increase the meat pool and poultry pool as well as offals for direct distribution, that is, for retail sale to the community. As a result of consultations we want to take into consideration, within the possible limitations, adequate norms for children, young people, nursing mothers and pregnant women.

I would say that it was in this direction that the main effort was being made in the work that has been done. In addition we want, through transfer to direct sale, through economies made in other directions of expenditure, to suggest increasing somewhat the norm for some 10 million people. I have in mind here white-collar workers, families, pensioners and people living on benefits. Similarly we want to increase somewhat the originally envisaged norms for the farming population and to even out, in conformity with the postulates, the norm for all employed in agriculture. I have in mind here members of the agricultural producer cooperatives, employees of state farms.

I should like to stress that the norm for the farming population, according to what we suggest, would not encompass poultry. This exception applies only to the farming population. As a result of the consultations we abandoned the suggestion of coupons based on value though this suggestion has its strong points. It provided a certain flexibility. And it was easier to introduce and was no doubt also just. But because a considerable majority demanded the introduction of coupons for quantities and ranges, we support such a solution. Consequently, this coupon, the norm, will contain about one-third of sausages and higher class meat.

In view of numerous postulates, of certain possibilities which have emerged recently in connection with additional import of butter, and of a slightly more advantageous balance sheet in general, we suggest that the restrictions should embrace only butter. At the same time we suggest increasing the norm considerably, in particular for older children and young people, including nursing mothers. Consequently, this proposal submitted by the Ministry of Domestic Trade and Services has no provision to ration the remaining fats. I have in mind here animal fats and vegetable fats. As mentioned earlier the supplies of the latter are visibly increasing.

Unfortunately, it was not possible to take into consideration the numerous suggestions that poultry should be excluded from the supplies to the urban population, since it constitutes one quarter of the overall supplies of meat in buld to the market in 1981.

At this juncture I should like to say that of course one could exclude poultry, but we are facing a situation in which the deliveries of meat in bulk this will amount to 2.04 or 2.045 million tons and next year to about 1.65 million tons. Therefore, since poultry forms a considerable part of this meat, I have already said, if we excluded poultry it would be necessary to reduce the ration.

In addition, I think that unfortunately this proposal concealed an illusionary hope that, just like right now in large urban centers, poultry would be available on free sale. With the current balance sheet this is simply impossible. For these reasons we propose that the poultry ration for the population outside agriculture should be envisaged as amounting to one bird per month.

Work on the system is still in progress. This is a very serious operation. Efforts are being made to introduce the system as speedily as possible but in a responsible manner. And finally the basic organs of the administration are or will be authorized to deal with any atypical and incidental questions which, in an operation on such a scale, can and are about to emerge.

Despite extremely varying opinions we stick to the proposal that in the supplying of food by canteens we will not introduce the obligation to surrender coupons. The same applies to schools, creches, kindergartens, hospitals and so forth. We also uphold the proposal, accepted in most cases, concerning the functioning of a free market in meat, but with certain conditions. These conditions have been submitted in the concept presented to the community. Thank you for your attention.

[Unidentified speaker] May it please the house! I submit the motion that the Sejm should send the draft plan and draft budget for 1981 to the Economic Plan, Budget and Finances Commission. In conformity with Article 39 of the Sejm rules the relevant committees will examine the individual parts of the plan and budget and will submit their notes to the Economic Plan, Budget and Finances Commission. Unless I hear any objections I will consider that the Sejm has agreed to submit these proposals. I hear no objections. [end recording]

Next the deputy rapporteur, Lukasz Balcer, presented the draft bill on the provisional budget for the first quarter of next year, recommended earlier, as I have already mentioned, by the minister of finance. The Sejm passed the bill. It will simply make it possible for the local authorities to plan a budget for the first quarter.

Then, the deputies acquainted themselves with the government draft bill on fiscal obligations which apply mainly to crafts. This draft also aroused a great deal of controversy. Another discussion followed and the minister of finance, Marian Krzak, had to justify additionally the need for the bill to be adopted. In the end a vote was taken. The Sejm passed the bill on fiscal obligations with a majority of votes, with 60 abstentions.

The Sejm debate continues. The deputies submit questions. The journalists call this part of the debate "the hour of sincerity."

## Provisional Budget, Bills Passed

LD192344 Warsaw Domestic Service in Polish 2200 GMT 19 Dec 80

[Text] The Sejm of the Polish People's Republic met in Warsaw today. Its fourth session this autumn focused on the economy. After their first reading, the bill for the 1981 national socioeconomic plan and the 1981 finance bill were referred to Sejm commissions for analysis. A new departure of the Sejm was the many questions put to Deputy Chairman of the Council of Ministers Henryk Kisiel and Minister of Finance Marian Krzak, immediately after they presented the draft plan and budget.

The Sejm passed a motion provisionally approving the budget, which, in the case of the central budget, will give it validity for the first quarter of next year. The Sejm preferred to give provisional approval rather than to hastily approve the full plan and budget, to the detriment of their analysis and possible correction.

The chamber also passed a bill on tax obligations, which does not introduce new taxes. This act, which takes effect 1 January, also restablishes judicial review of administrative decisions on matters of taxation. The judicial control is provided for in the Administrative Practices Act.

Today's Sejm debates were attended by Stanislaw Kania, Henryk Jablonski and Jozef Pinkowski.

## Defense Commission

LD201430 Warsaw Domestic Service in Polish 1400 GMT 20 Dec 80

[Text] A Sejm National Defense Commission session, chaired by Deputy Andrzej Zabinski, has examined the 1981 draft national socioeconomic plan and budget concerning the Ministry of National Defense.

The commission passed a resolution stating that the 1981 plans of the Ministry of National Defense are correct. The ministry's plans ensure a high level of army combat capability and readiness, the troops' ideological and moral attitude and their discipline, technological advancement and training.

The commission highly appraises the Ministry of National Defense plans concerning the army's contribution to the national economy. The commission has asked the Commission for Economic Plan, Budget and Finances to propose to the Sejm that the portions of the 1981 draft state plan and budget concerning the Ministry of National Defense as originally presented by the government should be approved.

[Warsaw PAP in Russian at 1500 GMT on 20 December carries the above item and adds the following:

["The meeting was attended by representatives of the Ministry of National Defense including Vice Minister of National Defense and General of Arms Jozef Urbanowicz and the following other vice ministers: Chief of Staff of the Polish Armed Forces and General of Arms Florian Siwicki, and chief of the Quartermaster's Office of the Polish Army and General of Arms Mieczyslaw Obiedzinski; as well as by representatives of the Supreme Chamber of Control, the Planning Commission of the Council of Ministers and the Ministry of Finance."]

Session Concludes

LD200956 Warsaw Domestic Television Service in Polish 2030 GMT 19 Dec 80

[Excerpts] The Sejm of the Polish People's Republic met in Warsaw today.

One item on the agenda was deputies' question time, during which government members replied to interpelations. The so-called questions-hour in fact took 2 and 1/2 hours. Questions asked of ministers dealt with, among other things, measures to improve the supplies of medicines, allocation of larger stocks of fertilizers and feedstuffs to the private farming sector, forms of utilization of the Agricultural Development Fund, Penal Code amendments, the situation in the power and heating industries, the future of the system of education for children and young people and of history teaching in schools.

The chamber next carried out changes in the composition of Sejm commissions.

Stanislaw Gucwa, the speaker, spoke at the conclusion of debates. Speaking about this year's events, he referred to the very much needed renewal in our life, the need for consolidation of the socialist path to renewal in our country, and to the need to strengthen the people's state and its international alliances. He stressed the Sejm's acceptance of the policies followed by the PZPR and other allied political parties. He added that the Sejm is indeed becoming the highest authority in the land, which protects the law and the credibility of our policies, and which takes care of all citizens' rights and interests.

On the Sejm's behalf, Stanislaw Gucwa wished the Polish community unity, peace and fruitful work in the new year. At this point the Sejm ended its deliberations.

Bilateral Parliamentary Groups

LD201840 Warsaw Domestic Service in Polish 2300 GMT 19 Dec 80

[Text] Bilateral parliamentary groups were constituted after the Sejm session. Their work has been reactivated for the eighth term of office of the Sejm.

Deputy Wilhelm Szewczyk became chairman of the Polish-Austrian Group; Deputy Franciszek Sadurski became chairman of the Polish-Belgian Group; Deputy Mieczyslaw Rakowski became chairman of the Polish-British Group; Deputy Adam Lopatka became chairman of the Polish-French Group; Deputy Mieczyslaw Czerwinski became chairman of the Polish-Greek Group; Deputy Zbigniew Zieminski became chairman of the Polish-Japanese Group; Deputy Marceli (Haska) became chairman of the Polish-Italian Group.

CZYREK TO PAY OFFICIAL VISIT TO USSR END DECEMBER

LD200942 Warsaw Domestic Service in Polish 0800 GMT 20 Dec 80

[Text] Jozef Czyrek, member of the PZPR Central Committee and Poland's foreign minister, will pay an official visit to the Soviet Union at the end of December 1980 at the invitation of the Soviet Government.

AGREEMENT SIGNED WITH USSR ON GOODS EXCHANGE

LD202136 Warsaw Domestic Service in Polish 1600 GMT 19 Dec 80

[Text] Representatives of the ministries of (?external trade) of Poland and the Soviet Union today signed in Moscow an agreement on an exchange of market goods next year. It concerns additional supplies of goods, aside from long-term agreements and the trade protocol for next year.

From the Soviet Union we are to get, among other things, cameras, watches, ironmongery, canned fish, tea and champagne.

The Polish side will supply [words indistinct] namely some kinds of clothing, light fittings, cosmetics, bath [word indistinct] and fruit wines.

TRADE PROTOCOL SIGNED WITH ROMANIA IN WARSAW

AU201937 Bucharest AGERPRES in English 1852 GMT 20 Dec 80

[Text] Warsaw, 20 Dec (AGERPRES)--A protocol on goods exchanges and payments between Romania and Poland for 1981 was signed in Warsaw, on December 20. The document provides for the further development of the commercial exchanges between the two countries, which in 1981 will increase by 15.6 percent as against the provisions of the commercial protocol of this year. The exchanges of products of the machine-building industry hold a share of over 50 percent as against the total volume convenanted. The protocol also stipulates the increase of the volume of products resulting from operations of cooperation and specialization in production.

In 1981, Romania will export to Poland machine tools, products of the electrotechnological and electronics industries, oil equipment, passenger cars, locomotives, monobloc wheel axles, iron-and-steel products, aluminum and semi-manufactured goods of aluminum, products of the chemical and petrochemical industries, consumer goods.

In her turn, Poland will deliver to Romania machine tools, mining equipment, building machines, machinery for the textile industry, products of the electrotechnological industry, sub-assemblies for the computation technology, coking and energetic coal, coke, sulphur, copper and semi-manufactured goods of copper, various industrial consumer goods.

For Romania, the protocol was signed by Ion Stoian, deputy minister of foreign trade and international economic cooperation, and for Poland by Wladyslaw Gwiazda, deputy minister of foreign trade and maritime economy.

FORMER CONSTRUCTION MINISTER EXPELLED FROM PARTY

LD220620 Warsaw Domestic Service in Polish 0530 GMT 22 Dec 80

[From the press review]

[Text] By a decision of the Central Party Control Commission, Adam Glazur, former minister of construction and construction materials industry, has been expelled from the party.

TRYBUNA LUDU reports today that one of several reproaches made against him--quite sufficiently justifying this decision--was the affair of his holiday cabin. This "cabin" in fact has four stories and 912 cubic meters of living space. He himself assessed its value for insurance purposes at 2.3 million.

It was found that he paid only slightly more than 10 percent of the cost of construction from his own pocket. Against regulations, which he himself issued, he contracted state enterprises to carry out this construction and these enterprises accounted for the money spent by putting it on accounts of other investment projects. The problem of whose property this really is will be decided by administration bodies.

FOREIGN TRADE PARTY ORGANIZATIONS CONFERENCE HELD

LD200023 Warsaw Domestic Service in Polish 0100 GMT 20 Dec 80

[Text] A conference of secretaries of primary party organizations in foreign trade enterprises was held yesterday in the building of the Central Committee. The conference discussed the tasks of party organizations in this milieu resulting from the resolutions of the seventh plenum of the Central Committee.

Anxiety was expressed concerning a serious threat to the implementation of this year's export tasks. The main stream of the debate concentrated on the role and tasks of primary party organizations and foreign trade enterprises in the present political and economic situation of the country.

With concern in mind for the high and good moral standards of the foreign trade employees, a postulate was submitted to create a court of colleagues [sad kolezenski], which would examine the attitudes of employees of this professional group from the viewpoint of professional ethics.

The need to increase the authority of party organizations in foreign trade enterprises was mentioned. The purposefulness of the amendment to the regulations governing the activity of the employees' self-government was stressed so that they reflect to a greater extent the views of the whole work force and take into account the specific character of the work of this professional group.

CHURCHES READ PRIMATE'S MESSAGE ON PEACE

LD211914 Vatican City in English to Central and West Europe 1445 GMT 21 Dec 80

[Text] In Polish churches today a message was read for Christmas 1980 from the primate of Poland, Cardinal Stefan Wyszynski. The message was dedicated to the theme of peace, the search for peace with God as the promise of the peace of God offered to people of all social categories. In the document it was pointed out that there was no lack of people even among heads of states who in the depths of their hearts nurtured the desire to give true peace and justice to the world. It can be granted that not all know the ways which lead to peace. This is confirmed by the continuous searching that takes place, the conferences, congresses and consultations that take place at various levels. The great of this world perhaps place an excessive hope in armed peace. The church, on the other hand, preaches the peace which comes from God, who is love. The human family must above all reconcile itself with God the father and the messenger of God, the man who is God, the redeemer of man. Those who preach the peace of God should not be feared. They wish to open the doors of houses, the hearts of man and the frontiers of states.

It must be recognized that the greatest danger for man is a world without God, a nation without the gospel, without the cross, without the altar. Let there be an end to the persecution of religion and of the church.

During his address, the cardinal said that the world press expressed its amazement at the fight of the Polish dock workers who sought the support of the Gosepl in the struggle for their rights. Social reconstruction cannot take place by the reununciation of God. The cardinal's message finished with an invitation to all to sing together the Polish national anthem as greetings to all Polish homes, to all Polish cities and to Poles throughout the world.

## OIL BLOWOUT IN KARLIN CONTINUES TO BLAZE

### Arrival of Walesa

LD220954 Gdansk Domestic Service in Polish 0600 GMT 19 Dec 80

[Text] Lech Walesa arrived yesterday afternoon in Karlin where the attempt to control the oil blowout has been going on for 11 days now. During a brief conference, attended also by Voivoda Jan Urbanowicz, the head of the attempt, Adam Kiler, described the present situation and preparations to extinguish the fire.

### Soviet Aid Efforts

LD220658 Warsaw Domestic Service in Polish 2100 GMT 21 Dec 80

[Text] Preparatory work is taking place to extinguish the fire which broke out 12 days ago in connection with the outflow of gas and oil during geological exploration near Karlin in the Koszalin Voivodship. Polish and Soviet experts are taking part in the action as well as the militia and troops. Meanwhile there is still no certainty as regards the size of the deposits. In the opinion of experts it could contain 1.5 to 2 million tons of oil. However, the possibility exists that the amount will be much smaller.

### Mining Minister Interview

LD210420 Warsaw PAP in Russian 1500 GMT 20 Dec 80

[Summary] Warsaw, 20 Dec (PAP)--M. Glanowski, Polish minister of mining, has given an interview to PAP on the oil and gas blowout at Karlin in Koszalin Voivodship. The struggle with the blaze is continuing here.

Not far from the blowout spot, a well, in which no traces of oil or gas were found, was drilled as part of the geological prospecting work which is done in this area. The Daszewo-1 well in the Krzywoploty area, which is 4.5 km away from Karlin, was already the second in this area. It was to be drilled to a depth of 4.100 meters but there was an oil blowout already at a depth of 2.779 meters on 9 December.

The Hungarians specialize in putting out such fires within CEMA. They were asked to come, and arrived on 11 December in Poland. On 12 December telegrams were sent to Soviet and American specialists. The chief Soviet expert in this field, Engineer L. Kalyna from Poltava, arrived on 14 December. The Boots and Coots firm from Houston in Texas answered on the same day that it was ready to act but no reply was received as to the financial arrangements. Soviet speciailists have taken part on frequent occasions in rescue actions at Polish mines and Poland has never paid for their help which is given as part of concluded treaties.

The rescue operation headquarters, which consists of Soviet, Hungarian and Polish specialists, has drawn up three different methods for extinguishing the fire. More groups of Soviet specialists will soon be coming to the scene of the accident. Roman Sunbatov, deputy USSR minister of geology, arrived in Poland together with a group of Soviet specialists. Equipment will be arriving on 20 December when the program for putting out the blaze will begin. We think that the work should produce results in a week. If the operation is unsuccessful it is planned to cut off the closing device with the help of a Hungarian piece of equipment, to direct the fire into a vertical position and then extinguish it using units which give out a powerful flow of inert gases.

According to preliminary estimates the Karlin well is emitting 2,000 to 5,000 tons of oil a day, although some people think that the maximum gusher amounted to 7,000 tons. The height of the blaze which reached a height of 120 meters in the first few days when gas was burning has now dropped to 30 meters. But it is difficult to say whether this is the result of a drop in pressure or the result of the fact that oil is now burning there. It is also difficult to determine the chemical compsotion of the oil which might have changed because it has passed through fire. Preliminary analyses carried out in Plock say that it contains 1.3 percent sulphur, so it has a low sulphur content.

WALESA SPEAKS AT ELBLAG MONUMENT UNVEILING CEREMONY

LD202120 Warsaw Domestic Service in Polish 2100 GMT 20 Dec 80

[Text] A monument to the victims of December 1970 was unveiled in Elblag today. Among the assembled inhabitants of the town was First Secretary of the Elblag Voivodship Party Committee Jerzy Prusiecki. A speech marking the occasion was delivered by the chairman of the National Coordinating Commission of the Independent, Self-Governing Trade Union Solidarity, Lech Walesa.

TALKS WITH SOLIDARITY REPRESENTATIVES CONTINUE

LD220946 Wroclaw Domestic Service in Polish 0600 GMT 20 Dec 80

[Text] Talks between the representatives of the Ministry of Chemical Industry and the National Coordinating Commission of Chemical workers from the Independent, Self-Governing Trade Union [NSZZ] Solidarity are continuing in Wroclaw. The talks aim at the agreement concerning pay, social and organizational postulates; among other things union members are not demanding pay increases but only compensation for work dangerous to health. Yesterday, the preliminary agreement was signed.

In Boleslawowo, near Ustronie Slaskie in Walbrzych Voivodship talks are in progress between the National Coordinating Committee of Timber Workers NSZZ Solidarity and the government delegation. The topic of the talks is the improvement of social conditions, the modernization of the technical base, and the improvement of pay conditions. The talks have been going on for 3 days.

DOCKERS, SAILORS UNION MEETS TRANSPORT OFFICIAL

LD192356 Warsaw Domestic Service in Polish 2000 GMT 19 Dec 80

[Text] The National Coordinating Committee of River Shipyards which represents the Independent, Self-Governing Trade Union [NSZZ] Solidarity and the NSZZ of Sailors and Dockers conducted talks yest iay and today with a delegation representing the Ministry of Transport, in Koszelowka near Plock. They discussed the implementation of the postulates submitted by the shipyards' work forces. In all, 44 postulates were listed for introduction into practice and inclusion in the ministry's legal file. Agreements to this effect have been signed.

POWER INDUSTRY WORKERS' NATIONAL CONGRESS MEETS

LD202132 Warsaw Domestic Service in Polish 1800 GMT 20 Dec 80

[Summary from poor reception] All through Friday until early this morning, the 12th National Congress of the Trade Union of Power Industry Workers deliberated in Warsaw. Two and one-half months have elapsed since the previous union congress, in which the principles and directions of activity were discussed. The congress was to finalize the statute and program of activity of the union and also to elect new officials. During the discussion there were sharp words on the failure to appreciate the role of the power industry.

It was stressed that development of the power industry should as rapidly as possible overtake development of all other economic sectors. If not, there will be no chance of restoring an economic equilibrium and of further expansion in Poland. Heating, gas and information science workers also set out the problems of their branches in the discussion. It was stressed that union members expect activists to change their methods of operation. The congress introduced changes and amendments to the statute and activity program of the union. New officials were elected. The chairman of the main board is again Eugeniusz (Mielniczuk).

GRABSKI ATTENDS KONIN PARTY PLENARY SESSION

LD200447 Warsaw Domestic Service in Polish 0400 GMT 20 Dec 80

[Text] Yesterday's plenary session of the party voivodship committee in Konin dealt with directions of the work of the voivodship organization before the Ninth PZPR Congress. The session was attended by Tadeusz Grabski, member of the Politburo and secretary of the party Central Committee.

During the session changes were made in the composition of the executive and the voivodship party Control Commission.

GORZOW PARTY CONTROL COMMISSION SUPPORTS RENEWAL

LD200240 Zielona Gora Domestic Service in Polish 1540 GMT 18 Dec 80

[Excerpt] The voivodship party Control Commission in Gorzow has been actively supporting the process of renewal which is taking place in PZPR organizations. Persons abusing statute norms and their positions concerning aims which are contrary to the social interest are being taken to court. Recently the commission made a decision concerning the director of the Warta state farm and the director of the Gorzow Gozamet-Wutech furniture factory, who have been removed from party ranks and from their posts.

'NEW FORM' PARTY CONFERENCE HELD IN KRAKOW

LD202030 Warsaw Domestic Service in Polish 1800 GMT 20 Dec 80

[Text] A consultative conference of the Krakow party organization has been held in Krakow. This is a new form of party work before the ninth congress. The new thing about this conference is the fact that a report written exclusively on the basis of assessments and suggestions sent into the Krakow party committee from August to mid-December formed the foundation for a discussion lasting many hours. This report consisted of 238 letters. Internal party matters, in other words the way the lists of candidates for party posts were drawn up in a free manner, secret voting and the rotation of party functions, were the main topics. The report stated, among others things: Ideology must be a stimulus to guiding [kierunkowy] decisions. A situation in which, in opposition to the proclaimed ideology, decisions are made on account of immediate benefits or on account of narrowly understood group interests cannot be tolerated. In this context, the work of the party in building a system which is internally cohesive, of ethical values based on the criteria of Marxism-Leninism and on propagating them in the party and in the whole of our society, take on special importance.

The next group of matters concerned the attitude of the party and its rank and file members toward all social forces. And I quote again: It is more important at present to build a program of cooperation between all forces--organized or unorgainzed--for implementation of the renewal of the country than [word indistinct] mistrust and the stubborn looking for differences and dividing people into closer ones and ones farther away and into worse and better.

It is only from this perspective that we shall be able to perceive our real enemies. And it would be an illusion to state that there are no enemies in the country. And what is more important, it is necessary to block access to the wider social masses by the advocates of anarchy and those who are unable or do not want to understand anything of the Polish historical process.

Nearly 80 speakers rose to speak during the discussions. It is difficult to describe what was said uniformally. Carefully considered as well as very emotional statements were made. There were statements which demanded that everything that happened in the past should be accounted for as well as statements which drew attention to the future. It is not easy to (?sum up) this meeting. All that can be said is that no resolution was passed because this was the start of a new style of work and not a conference forming a united whole. The proposals from this discussion will be conveyed to the congress commission in order that the party program might be the program of its members.

LODZ ECONOMIC REFORM CONFERENCE ENDS, PROPOSALS MADE

LD220950 Warsaw Domestic Service in Polish 2100 GMT 21 Dec 80

[Text] A 2-day national conference of trade union activists, organized under the patronage of the Solidarity union and Lodz University on the precepts of the economic reform as one of the conditions for the implementation of the social contract, has ended in Lodz. The conference was attended by representatives of schools of higher learning and departmental institutes from Lodz and Warsaw as well as by some members of the Commission for Economic Reform acting under the chairmanship of the premier.

The main topic of the discussion by the scholars and practical workers was the determining of the role of the trade union movement in the economic transformations and changes in the system of management of the economy. Proposals were made for the speediest possible implementation of the [word indistinct] warning at the same time against too rash decisions.

We learn from PAP the main trend of the debate was the problem of restricting bureaucratic methods in the running of the economy [words indistinct].

SZCZECIN CONFERENCE ON AGRICULTURAL REFORM MEETS

LD220956 Warsaw Domestic Service in Polish 2100 GMT 21 Dec 80

[Text] A national congress of agriculture sections and services in the socialized agriculture of the Solidarity union has taken place in Szczecin. The congress dealt with the precepts for economic reform on state farms. The proposals and opinions submitted there will be put forward to the National Consultative Solidarity Committee as documentation for talks with representatives of the Ministry of Agriculture.

CIVIC MILITIA PERFORMS NATIONWIDE MARKET CHECK

LD200247 Warsaw Domestic Service in Polish 1800 GMT 19 Dec 80

[Text] The "market" operation was carried out throughout the country today by the civic militia. This was done to uncover crimes and misdemeanors committed to the disadvantage of consumers, as well as cases of waste of market goods. More than 10,000 shops, catering establishments, commercial outlets in market places and stores were checked. Some 132 inquiries are now being made following the checks; 815 cases have been recommended for further action and fines exacted in 1,958 cases. Most of exposed cases were in the nature of speculation.

CEAUSESCU MEETS WITH PCI DIRECTORATE MEMBER

AU201715 Bucharest Domestic Service in Romanian 1600 GMT 20 Dec 80

[Text] Comrade Nicolae Ceausescu, party secretary general and president of the republic, today received Paolo Bufalini, member of the PCI directorate, who is visiting our country at the invitation of the RCP Central Committee. The guest extended warm greetings and cordial wishes to Comrade Nicolae Ceausescu on behalf of Comrade Enrico Berlinguer, PCI secretary general, and the party directorate.

On his behalf and that of the Political Executive Committee of the RCP Central Committee, Comrade Nicolae Ceausescu expressed thanks and asked the guest to convey warm greetings and best wishes for good health and success to Comrade Enrico Berlinguer and the members of the PCI directorate in their overall activity.

During the ensuing talk, the two sides exchanged mutual information about the current and future concerns of the two parties. In this context, they expressed satisfaction with the positive relations of cooperation and solidarity, of mutual esteem and respect between the RCP and the PCI and expressed the desire to expand those relations to the benefit of the two parties and of the good relations between Romania and Italy and in the interest of the general cause of socialism, peace and international cooperation.

They also exchanged views on current international political issues and expressed the concern of the two parties over the aggravation of the world situation. They stressed the need to intensify efforts to lessen international tension and to resume and strengthen the policy of detente, peace, cooperation and respect for national independence and the need to resolve states of tension and conflict which still persist in various parts of the world by political means and negotiations.

Examining the questions of security and cooperation on our continent, where military forces and weapons are increasing and where numerous mass destruction means are accumulated, including nuclear ones, the two sides stressed the importance of the proper progress of the Madrid meeting so that it will lend an impetus to the implementation as an indivisible whole, of the provisions of the Helsinki Final Act and that it will contribute to expanding cooperation and collaboration among European countries, especially so that it will lead to effective measures for military disengagement and disarmament in Europe and ensure new prospects for peace, detente, security and cooperation throughout the world.

The two sides also stressed the need to increase efforts aimed at eliminating underdevelopment, reducing economic gaps between states and at establishing a new international economic order.

During the meeting, they expressed the confidence of the two parties in the capability of the PZPR, of the workers class and all Polish people that they will succeed in surmounting the difficulties that have arisen and will ensure Poland's further development along the road of socialism and the working people's well-being. The meeting took place in a warm, comradely atmosphere.

HYDROTECHNICAL COMMISSION WITH HUNGARY MEETS

AU191725 Bucharest Domestic Service in Romanian 1600 GMT 19 Dec 80

[Text] The proceedings of the 11th session of the Romanian-Hungarian Joint Hydrotechnical Commission took place today. It examined matters pertaining to cooperation in the field of fighting floods, preserving water quality and projects along watercourses which form the border or cross the border. The meeting was attended by delegates on behalf of the National Council for Waters from Romania and the National Office for Waters from Hungary.

RCP'S CAZACU RECEIVED BY MAPAM SECRETARY GENERAL

AU201910 Bucharest AGERPRES in English 1859 GMT 20 Dec 80

[Text] Tel Aviv, 20 Dec (AGERPRES)--Victor Shem-Tov, general secretary of the CC of the MAPAM party of Israel, received Virgil Cazacu, member of the Executive Political Committee, secretary of the CC of the RCP.

The general secretary of the CC of the MAPAM party expressed high appreciation of the steady contribution of Romania, of the Romanian head of state personally in questions related to peace and international collaboration, to the just and durable settlement of the Middle East conflict.

During the interview, opinions were exchanged on the current concerns of the RCP and of the MAPAM party and the joint wish was expressed of steadily developing the relations between the two parties in the spirit of mutual esteem and respect, in the interests of the two peoples, of the cause of peace, progress and international collaboration.

Also approached were questions of the international situation, particularly questions regarding the Middle East.

The interview occasioned an exchange of salutes between Nicolae Ceausescu and Victor Shem-Tov.

CEAUSESCU RECEIVES DEPARTING POLISH AMBASSADOR

AU191735 Bucharest Domestic Service in Romanian 1700 GMT 19 Dec 80

[Text] Comrade Nicolae Ceausescu, RCP secretary general and president of the republic, today received Jerzy Kusiak, ambassador of the Polish People's Republic to Bucharest, at the end of his mission in the Socialist Republic of Romania. The ensuing talk took place in a cordial, comradely atmosphere.

GNA PLANNING SESSION CONCLUDES, BILLS ADOPTED

AU201525 Bucharest Domestic Service in Romanian 0500 GMT 20 Dec 80

[Text] The proceedings of the second session of the Eighth Legislature of the Grand National Assembly [GNA] concluded in Bucharest yesterday. After important bills were adopted during the proceedings held the previous day regarding next year's budget, investments, improvements in the application of the price system, the management of fixed assets, material resources and technical-material supply, the country's supreme legislative forum yesterday adopted the law on strengthening workers' self-management and economic, financial and currency self-administration in foreign trade activity and in international economic cooperation; the bill on accrual, distribution and utilization at county level of resources for the people's supply of meat, milk, vegetables and fruit; and, on the basis of decisions, the reports on the finalization of the action of increasing remenerations, pensions, children's state allowances and other incomes and on the people's supply for the fourth quarter of 1980 and the first quarter of 1981.

The bills on approving decrees with power of law issued by the State Council were also adopted.

POLITIKA ON POLISH SOLIDARITY'S SHARE IN POWER

AU191550 Belgrade POLITIKA in Serbo-Croatian 11 Dec 80 p 1

[D. Ribnikar report]

[Excerpts] Warsaw, 10 Dec--Visit to the Office for Mazowsze

Yesterday we visited the Solidarity office for the Mazowsze District that is still located in a second floor apartment in the backyard building at No 5 Szpitalna Street. A hurried atmosphere there confirmed to us that a big project--that of the first elections in the Solidarity organization--is now in progress. Thus, the enthusiastic orientation of the people at No 5 Spzitalna Street toward all questions connected with the elections is understandable. However, that does not mean that they refuse to discuss the question of their organization's responsibility for the fate of socialist renewal. But their answers to questions in this respect are brief and precise: "It is not our job to make economic programs. Let the government work out an economic program and then we will either support or reject it."

That answer is nevertheless not quite true. Many Solidarity members are already actively participating in the work of nearly all of the 11 working groups of the central government commission charged with the task of preparing the economic reform program.

This is completely normal behavior: The Solidarity organization cannot evade its share of responsibility for the fate of the country.

In a conversation with a group of journalists and young economists we were also informed about a "prescription" against a possible disillusionment of the working masses whose hopes might not be fulfilled.

According to that prescription, the Solidarity organization must be brought in a position where it will be able to appraise the situation in the country more realistically. To be true, under the Gdansk agreements the government accepted the obligation to raise salaries and wages, speed up the housing construction, control the prices and improve the market food supply. These provisions of the agreements undoubtedly may not be violated but, considered objectively, they also cannot be completely fulfilled. According to some views expressed here the solution must be found in new negotiations that will be free of any tense atmosphere, euphoric feelings and excessively strong emotions.

In other words, the Solidarity leadership must be fully informed in detail about the country's exceptionally difficult economic situation. It must be demonstrated to the Solidarity leadership that the government's room for any maneuvering action is very narrow. If the independent trade unions really are "partners" in the country's socialist renewal, then they must be brought into a situation in which, after a comprehensive analysis, they will understand the situation in Poland and consequently reach the right conclusions that will show what the real interests of the society and especially of the worker class are under the existing conditions.

We were also told the following: "The new trade union movement must understand that, enjoying a real participation in power, it cannot refuse its share of a joint responsibility (naturally for the country's future and not for its past) because otherwise it will be guilty of an absurdity similar to that about uncompromising decisionmaking on cutting bread that does not exist."

In the opinion of some of our interlocutors, if the Solidarity organization renounced its independent role, which is convenient but one-sided and part of the system, then the power itself would become democratic and would be based on "partnership" and constant coordination. [paragraph continues]

If the Solidarity organization refuses to accept its share of responsibility, then it will inevitably draw to itself the society's ill feelings.

POLISH COMMEMORATION OF 'TRAGIC DECEMBER' NOTED

LD210228 Belgrade TANJUG in English 1826 GMT 14 Dec 80

[Text] Warsaw, 14 Dec (TANJUG)--Today is the tenth anniversary of the "tragic December week" in Poland when in workers' demonstrations 45 workers, policeman and soldiers were killed and 1165 persons wounded. Nineteen public buildings were either completely destroyed or partially damaged, 47 passenger cars and several score police and military vehicles either destroyed or damaged. By January 1971, 2843 persons of the 2989 persons arrested at that time (mostly young people under 18) were released.

This is the first time that the local press writes in such detail about the seven-day demonstration in the Polish Baltic industrial centers Gdansk, Gdynia, Szczecin, Elblag and Slupsk where workers went beyond plants' limits and clashed with the army and the police. The demonstrators used bottles filled with petrol, stones and mostly unregistered guns and revolvers, and the police and the army used their arms.

On Tuesday, in Gdansk and on Wednesday in Gdynia these events will be commemorated. In Gdansk a 42.5 meter monument and in Gdynia a commemorial plaque will be unveiled.

The direct cause of the "Baltic events" was the decision of central authorities to increase prices of a number of products.

Immediately after these demonstrations a new leadership was elected for the Polish party, headed by Edward Gierek who replaced Wladislaw Gomulka.

Bloody Baltic demonstrations are described here as the second crisis in the socialist history of Poland. The first was in Poznan in 1956.

REPORTAGE ON MIJATOVIC VISIT TO ITALY, VATICAN

Vatican Visit

LD192008 Aagreb Domestic Service in Serbo-Croatian 1400 GMT 19 Dec 80

[Text] Cvijetin Mijatovic, president of the SFRY Presidency, ended his official and friendly visit to Italy today and afterwards had talks in the Vatican with Pope John Paul II, head of the Roman Catholic Church. We shall begin with a report from Ante Kesic, our special correspondent, on the third day of our delegation's stay in Rome:

The high-ranking visitor and members of the Yugosoav delegation were formally seen off in the Quirinale at 0900 this morning. Taking leave of his visitor, President Pertini wished him and his country all the best; the best words he said were, "See you again."

The official visit of President Mijatovic and the Yugoslav delegation to the Vatican started at 1100 this morning. They were welcomed in accordance with the highest protocol. In the area between the Swiss Guard and the Pontifical Orchestra in the spacious court of San Damaso, the esteemed visitor was welcomed by Giacomo Martin, the Pope's special representative, and high-ranking dignitaries representing his holiness. After that President Mijatovic reached, by way of the Sala Clementina, the Vatican Library, at the entrance to which he was met by Pope John Paul II, who led him into the room, full of books and warmth.

In his address, the Pope first told President Mijatovic that he highly valued his visit and that he remembered meeting him at the time of his enthronement ceremony. The Pope recalled the past contacts between him and his predecessors and the Yugoslav leaders, especially the one between Pope Paul VI and President Tito 10 years ago, a meeting which marked, he said, a turning point in the promotion of relations between Yugoslavia and the Holy See and at the same time in the overcoming of difficulties in the relations between the Holy See and the Catholic Church in Yugoslavia and between the church and state. The Pope spoke both as the head of the Church and as a head of state, voicing his views in favor of peace, the Helsinki Final Act and security and cooperation in Europe and the world in general. Since the meeting took place at the end of the year, the Pope conveyed his best wishes through President Mijatovic to the peoples of Yugoslavia in the coming year and the joy of constant growth and progress. President Mijatovic thanked Pope John Paul II for his hospitality, expressing satisfaction at meeting the Pope again and being able to exchange views with him on major world issues. Gifts were also exchanged on this occasion. President Mijatovic presented the Pope with a large gold medal with Tito's image and three books on Yugoslavia's artistic wealth.

A joint Italian-Yugoslav communique was issued at noon today. The communique highly assesses the success of the visit and especially the contribution made by the visit to peace and security in this part of the world. President Pertini accepted with pleasure an invitation to visit Yugoslavia.

## Mijatovic Speech at Vatican

LD201136 Belgrade TANJUG Domestic Service in Serbo-Croatian 1650 GMT 19 Dec 80

[Excerpts] Vatican, 19 Dec (TANJUG)--Cvijetin Mijatovic, president of the SFRY Presidency, today visited the Vatican and met the head of the Catholic Church, Pope John Paul II.

President Mijatovic was accorded such honors as the Vatican extends to heads of state.

The conversation between Cvijetin Mijatovic and Pope John Paul II, which according to Vatican protocol should have lasted half an hour, lasted a little over an hour. It is reported that the meeting was held in a direct and open atmosphere.

With chosen words, the head of the Catholic Church paid tribute to the independent and nonaligned policy and the autonomous road pursued by Yugoslavia. At the same time, the Pope expressed lively interest in Yugoslavia and its development, spoke positively of the Yugoslav domestic policy and especially emphasized the equality, freedom, tolerance and other achievements of Yugoslav development. Explaining the concept of ecumenism which also aspires to tolerance and equality of believers and various religions, the Pope said that there were similarities between this and the Yugoslav policy.

This is a special reason for fully understanding the internal development of Yugoslavia which, as the Pope again stressed, is characterized by full equality and tolerance.

During the talks on bilateral relations between Yugoslavia and the Vatican, the Vatican side expressed interest in and a desire for the further successful development of mutual relations. It was noted that these relations had a solid and lasting basis in the protocol concluded in 1966. The consistent readiness to implement the letter and spirit of this document was confirmed.

The president of the SFRY Presidency and the head of the Catholic Church expressed the conviction that it is possible and necessary to successfully solve all questions in a favorable climate, which already exists in Yugoslavia, and in a way leading to better cooperation.

This framework includes the Catholic religious community in the development of the Yugoslav society and cooperation with all other churches. Within this context, there was also talk about the need for tolerance of the religious communities and other questions of bilateral relations which were expressed in principle in the addresses by Cvijetin Mijatovic and the Pope.

During the discussions dealing with topical themes in the field of international relations, views were exchanged on the process of detente and the situation in Europe, and on the roads leading to the strengthening of confidence, security and cooperation on the European Continent and throughout the world.

The permanent value of the basic principles of the Helsinki Final Act and the need for their universal observance was mutually emphasized.

After the talks, Josip Vrhovec, federal secretary for foreign affairs; Ante Zelic, member of the Federal Executive Council; Zdenko Svete, SFRY ambassador to the Holy See; and other Yugoslav personalities of the official entourage of the president of the SFRY Presidency were introduced to the Pope. Immediately after this, in the Vatican Library, the head of the Catholic Church and the president of the SFRY Presidency read their addresses.

Following the address by Pope John Paul II, Cvijetin Mijatovic said:

Your Holiness, I am pleased to have the opportunity to meet Your Holiness, to convey the expressions of particular respect of the Presidency of the SFRY and to have useful talks.

Our exchange of views was devoted to the strengthening of peace, security and cooperation and to the general progress for the good of all people and peoples of the world. I am pleased to emphasize that considerable similarities have been expressed in the views held by Yugoslavia and the Holy See. My country has always attributed great importance to the exchange of views with the Holy See, which was expressed by messages between President Tito and the predecessors of Your Holiness in the Apostolic See. The SFRY Presidency considers it important to continue this practice with Your Holiness, in the conviction that better mutual knowledge ov views and aspirations contributes to cooperation aimed at fulfilling the essential interests of countries and peoples of our continent and all mankind.

In Yugoslavia, we highly appreciate the efforts which Your Holiness is making to strengthen peace and understanding between peoples, and for a peaceful solution of extremely serious problems facing the world in the political and economic spheres of life.

The SFRY Presidency and the Yugoslav Government are also concerned about these immensely important questions. The creation of conditions in which nations and people can live in peace and be free from fear and insecurity, capable of devoting their work to prosperity and progress, depends on their solution.

Unfortunately, the world continues to be faced with many dangers emanating from existing crises, clashes, bloc competition, a continued arms race, attacks on peoples' independence and attempts to impose will be force. I especially point out that in some part of the world there still exist inhuman systems, racial discrimination and various forms of oppression. The existing economic order in the world is based on old privileges, contains enormous injustices and produces dangers which affect the whole world.

We are deeply convinced that persistent efforts are needed by all countries, all factors of international relations and all people to give a more favorable direction to world developments.

This requires consistent respect for the rights of all countries to independence, respect for sovereignty and rights of all peoples to freedom and undisturbed development, for the rights of all people to dignity and happiness. We include in this all human rights in the field of social, political, working and spiritual life. All these aims can only be attained within the framework of real democratization of international political and economic relations as a process which makes possible the overcoming of divisions based on strength, development, ideology or race and the overcoming of major social differences.

Yugoslavia finds the inspiration for this kind of approach in the policy of nonalignment, one of whose creators was President Tito. Yugoslavia remains permanently dedicated to this policy, which it sees as a reliable mainstay for its own and for general independence and progress.

In our own history we find encouragement to struggle for building more just and humane relations in the world, for the freedom and prosperity of all the peoples in the conditions of universal [word indistinct] and progress. Your Holiness knows what trials the nations and nationalities of Yugoslavia endured in the struggle for freedom and independence, for brotherhood and unity, for the right to be free to make their own decisions about themselves. Under the leadership of President Tito we have realized our age-long aspiration to work in freedom and unity for the realization of our common social, economic and cultural progress in keeping with our own convictions and needs.

The socio-political system and constitutional order thus created in Yugoslavia--as I have already had an opportunity to stress-- presupposes both the full freedom and the rights of men, part of which is the freedom of religion, and the free activity of the religious communities and believers in performing religious and church duties, as specified in the Yugoslav Constitution. In our country there are different religions and religious communities, and tolerance and understanding among them represent the basis of common freedoms, rights and duties. Those citizens who are believers enjoy all constitutional rights, the same as all other citizens, and take part in decision-making--within the framework of our self-managing socialist system--in the political, socioeconomic, cultural and other fields of life. It is in this that we see fundamental social and human values.

Your Holiness, allow me to express the satisfaction of the SFRY Presidency at the successful development of relations between the SFRY and the Holy See on the basis of the 1966 protocol. We would like to express the hope that these relations, inspired by mutual respect and understanding, will continue to develop faborably. Your Holiness' readiness to contribute to this and to efforts made so that the Catholic religious community should act as a constructive factor in the development of our society fill us with hope that cooperation will be even more successful.

In this we also see the realization of the basic principles and goals which we solemnly adopted in the Helsinki Final Act.

I would like to use this opportunity to convey to Your Holiness seasonal wishes and wishes and wishes for your good health and success in the noble efforts made in the interest of peace, cooperation, understanding and the general progress of mankind.

Since an invitation to visit Yugoslavia had already been sent to the Pope at an earlier stage, note was taken of this fact on this occasion, but the time when such a visit could take place was not discussed.

The visit of the president of the SFRY Presidency continued with a meeting with the Vatican's secretary of state, Casaroli. The two sides discussed the successful development of cooperation between Yugoslavia and the Vatican, the good prospects for their promotion, and the current international situation.

Immediately after the conclusion of the visit to the Vatican, Secretary of State Casaroli paid a return visit to Cvijetin Mijatovic in the Grand Hotel in Rome, which until today had been the official residence of the president of the SFRY Presidency. Both sides again expressed their satisfaction at the Yugoslav-Vatican talks and the wish for the fulfillment of the expectations concerning the further successful development of relations between Yugoslavia and the Vatican.

Statement on Return

AU192108 Belgrade Domestic Service in Serbo-Croatian 1800 GMT 19 Dec 80

[Text] Cvijetin Mijatovic, president of the SFRY Presidency, has returned to Belgrade after a 2-day official and friendly visit to Italy. At Batajnica Airport, Cvijetin Mijatovic and the members of the Yugoslav delegation were met and welcomed by Sergej Kraigher, vice president of the SFRY Presidency; Ivo Margan, vice president of the Federal Executive Council, and other Yugoslav personages. On arrival in Belgrade, Civijetin Mijtovic, president of the SFRY Presidency, said the following about his 3-day official and friendly visit to Italy:

[Begin Mijatovic recording] The official, friendly visit to Italy enabled us to have a large number of meetings and substantive talks both with our host, President Pertini, the prime minister and with a number of other leading Italian political personages.

We met with a very warm and cordial reception. All the talks passed in a truly friendly atmosphere in which mutual respect and understanding were constantly present. With this visit we confirmed the friendship of our peoples and our two countries, and we also made a fresh contribution--as was stressed on both sides--to its further intensification. The continuity of our exemplary and well developed cooperation, as well as the mutual wish to continue along this road, were expressed. We were united in the view that a consistent implementation of the well-known Osimo agreements plays an impostant role in this.

We particularly discussed a full and comprehensive realization of the rights of the Slovene minority and its position in Italy. The Italian side expressed its readiness to solve this problem more quickly and comprehensively by legislation. We also had cordial talks and meetings with the representatives of the Slovene minority, as well as with a group of Italians, former Yugoslav partisans.

In a word, on both sides we are turning to even broader good-neighborly cooperation. This is an expression of our policy toward all our neighbors. The example of our relations with Italy shows what can be achieved in cooperation when the principles of independence, mutual respect and understanding are respected and when a border serves as a link between two countries. Such a border is then most stable and most respected. Such good and developed relations are a good example of the realization of the spirit and letter of Helsinki in Europe.

We also exchanged views on all important problems of international relations. We have many similar views and we share the same concerns. We also will strengthen our cooperation in implementation of the detente policy in Europe and the Mediterranean, and in this spirit we will widely cooperate in the United Nations and elsewhere.

On the Italian side, tribute was paid to the policy of nonalignment, and to Yugoslavia's involvement in its consistent implementation. In our nonaligned position and policy, Italy sees a broad interest in security and cooperation especially on this sensitive European soil. We expressed our great interest in the stability of Italy and its further democratic development.

It was confirmed this time again that our policy, Tito's policy which we continue, is the basis for the respect of our country in the world and for the stability of the international position of Yugoslavia.

We also paid a special visit to the Vatican. On this occasion we conducted substantive talks with Pope John Paul II, which were characterized by a spirit of full mutual understanding and respect. In the addresses exchanged on this occasion, we presented our views on the essential problems of the contemporary world, on our mutual relations and on the roads of their further advancement.

The Pope spoke with approval about Yugoslav independence, about our position and policy of nonalignment and about the achievements of our development, equality, freedoms and tolerance. We stressed the positive role of the Vatican in international relations and in building trust and cooperation among countries. We also welcomed the Vatican's endeavors to advance cooperation with Yugoslavia.

All this justified us in believing that favorable conditions exist for further cooperation with the Holy See, which implies full respect for our sociopolitical system and constitutional order. Within this framework we also see the possibility for a full, continuous and constructive involvement of the faithful in the socialist construction of our country, which means full freedom of profession of faith, and strengthening understanding and tolerance among the numerous religious communities in our country.

In our talks we devoted special attention to the ways of strengthening detente in Europe, and to the importance of respect for the independence and dignity of all countries and peoples, as well as to building more just international political and economic relations.

Taken as a whole, I think that we can look with optimism at further successful cooperation both with the Republic of Italy and with the Holy See. The same convictions were expressed by our Italian and Vatican opposite numbers. This gives us even more right to be very satisfied with the results of this 2-day visit to Italy. [end recording]

## IRAQI FOREIGN MINISTER SA'DUN HAMMADI ARRIVES

LD211402 Belgrade TANJUG Domestic Service in Serbo-Croatian 1303 GMT 21 Dec 80

[Text] Belgrade, 21 Dec (TANJUG)--Dr Sa'dun Hammadi, Iraqi minister of foreign affairs, arrived in Belgrade this morning. On behalf of Federal Secretary for Foreign Affairs Josip Vrhovec, Assistant Federal Secretary Dragomir Petrovic welcomed the Iraqi minister at the airport.

Foreign Minister Dr Hammadi will today have a meeting and talks with Josip Vrhovec, federal secretary for foreign affairs.

### Talks With Vrhovec

LD211918 Belgrade TANJUG Domestic Service in Serbo-Croatian 1839 GMT 21 Dec 80

[Text] Belgrade, 21 Dec (TANJUG)--Talks began today between Josip Vrhovec, federal secretary for foreign affairs, and Sa'dun Hammadi, Iraqi minister of foreign affairs. The talks are concerned with questions of bilateral cooperation, the conflict between Iraq and Iran--two nonaligned countries--and the possibilities for its political solution, as well as questions bound up with the forthcoming nonalined ministerial conference to be held in New Delhi.

The talks between Josip Vrhovec, federal secretary for foreign affairs, and Sa'dun Hammadi, Iraqi minister of foreign affairs, are continuing.

POTRC DISCUSSES LABOR SITUATION IN COUNTRY

LD191433 Stockholm SVENSKA DAGBLADET in Swedish 16 Dec 80 p 4

[Richard Swartz interview with Yugoslav Trade Union President Miran Potrc: "The 'Polish Disease' Cannot Become an Epidemic Here"; all quotation marks as published]

[Text] Belgrade--"Of course we have our own view of the free trade unions in Poland. But Poland must be allowed to solve its problems entirely alone and we do not intend to give rise to new speculation by announcing our opinion publicly. The situation is quite nervous enough as it is."

Miran Potrc has been Yugoslav trade union president since May and is convinced that Yugoslavia will not be hit by the "Polish disease" despite inflation somewhere over 30 percent, shortages of everyday necessities and real wages that will fall by at least 7 percent this year. The Yugoslav authorities consider themselves to have a real dialogue with the country's workers and the Yugoslav view of the cause of the Polish crisis surfaces time after time in the Yugoslav press--the Polish trade unions were in the past merely "transmission belts" for the party's directives. The trade union was never the workers' own organization and if they wanted to have such an organization then they had to choose between transforming the old trade unions or creating their own--and, as is well-known, they chose the latter course.

Potrc categoriecally denies unofficial reports in Belgrade of Yugoslav strikes in sympathy with the workers in Poland; nor was the long television film about a Yugoslav strike which was shown the other evening intended to have the preventive effect that observers here in Belgrade think.

"That film was almost an advertisement for striking. Do you really think that we would show something like that if we were afraid of Polish developments here in Yugoslavia?"

The trade union headquarters were in Belgrade does not have full statistical material at its disposal--it is to be found in the various federal republics--but it makes assurances that the number of strikes and stoppages has not risen this year compared with previous years despite Poland and the serious economic problems. According to Potrc this is a sign that the working class in Yugoslavia has accepted that it has been living beyond its means in the past and that its contribution to the federal policy of stabilization must now be to tighten its belt properly. But it will not be alone--the workers accept this policy because they see that others in the country are also being forced to make savings, that the public sector is being given less money and that investments in the country are being cut back drastically, Potroc said.

"Of course there are strikes here in Yugoslavia, but I do not know of one strike directed against the system," Potrc said, alluding indirectly to Poland. "In the vast majority of cases it is not a question of strikes but of interruptions in production. Most often they last only a few hours and only involve around 50 people. Also, they themselves do not like the word strike. They generally say that they are stopping production to get discussions going in their self-management bodies. Only rarely does a strike here last a few days."

But Potrc admits reluctantly that the working class must bear part of the responsibility for the overconsumption that has taken place in the last few years; and this is thus an indirect admission that the federal instruments for economic control are not always adequate. Some of the responsibility for the "investment mania"--in October the share of investments in Yugoslavia's national income was still as high as 40 percent--also belonged to the workers.

It is true that it is company management, banks and economic experts who work out investment projects in the first place. But the workers must approve them and sometimes this has happened all too casually. People have taken part in votes supporting investments in this country although they should have known that they would never be viable. In principle the workers have the right to decide on investments in this country and in the future they must exploit this right, and with greater responsibility and expertise.

When the workers do not make use of the rights and self-management system guarantees them, it is often due to lack of knowledge but perhaps more often to lack of interest. Miran Potrc openly admits that no solution has yet been found to the fact that very large numbers of Yugoslavs see their work within the self-managing sector simply as pension-earning "attendance duty"; a Slovenian investigation shows that the workers get 45 percent of their income from their actual job and 55 percent from various "jobs on the side." The result is industrial production which is much too low and of poor quality, and much too much money in peoples' pockets.

Miran Potrc raised both his hands in a resigned gesture.

"This is one of our most serious problems. But what are we to do? Just look at the following example: More than half the dwellings in this country are built privately. If we tried to get at this 'part-time' sector in our economy we would immediately be faced with new problems. If we started to tax it, production would fall. And how are we to determine when we are dealing with good turns and when we are dealing with the pure exchange of favors? Of course, at the root of the problem lies our very mentality. And there there are limits which no trade union or government should try to overstep, for then things could really start to go wrong."

BAKALI COMMENTS ON EXCESSES, NATIONAL EQUALITY

LD212206 Belgrade TANJUG Domestic Service in Serbo-Croatian 1157 GMT 20 Dec 80

[Text] Priština 20 (TANJUG)--Speaking at an augmented session of the Vitina League of Communists Municipal Committee, at which the political situation in this commune was discussed the night before last, Mahmut Bakali, president of the Kosovo League of Communists Provincial Committee, said it was good that the municipal committee was not indifferent to any excesses manifesting themselves, however small and insignificant they appeared at first sight to be.

Some of the negative trends and phenomena in individual environments in the Vitina municipality, which rank among the least developed in Kosovo, according to Bakali, stem from inherited backwardness which gives rise to social and other contradictions. But the more rapid development of the province in the coming period is opening fresh prospect for the development of this municipality as well as thus also for a broader spread of socialist self-managing relations. This will make the struggle of the League of Communists easier. However, whatever their conditions of work, the municipal organization of the League of Communists and all the basic organizations, through their activity, must speed up the settling of working people's and citizens' problems and ensure unity and stability by waging an energetic struggle against every form of nationalism and other excesses.

Pointing out the League of Communists' tasks in the suppression of the phenomena of usurpation of social property, Bakali stressed that if this action is to be successful it is essential that all those who personally attempt to usurp social property should be expelled from the League of Communists.

The president of the Kosovo League of Communists Provincial Committee particularly underlined the need for the most energetic political action aimed at suppressing the phenomenon of blood feuds, which most frequently are the result of properly disputes.

All such disputes must be considered and settled, primarily in the Socialist Alliance, with the active involvement of the organizations of the League of Communists, and also during the regular proceedings instituted by administrative organs, so as to prevent any attempt at settling accounts personally, which could also have serious political and intranational consequences.

Speaking about the place and the rights given in our society to all the religions by our Constitution and the law, Bakali stressed the need to intensify the struggle against the trend of impermissible interference by some of the clergy in a number of political and intranational questions, because, Bakali added, we justifiably expect from the clergy a correct attitude toward our policy and especially toward the policy of intranational relations. This policy must strengthen trust and unity and not give rise to divisions and clashes between members of different denominations within the framework of a nation or between nations, as is being done by some of the clergy.

Bakali went on to dwell on intranational relations and said that, apart from constant activity aimed at enriching the foundations of equality and togetherness of all our nations and nationalities, it is also necessary to wage an energetic struggle against any forms of nationalism. In this connection there is need for a greater degree of sensitivity concerning the position and constant affirmation of those nations and nationalities which are numerically less strong in any particular environment.

Since, apart from Albanians, Serbians and others, 6 percent of the people in the Vitina municipality are Croatians, Bakali particularly referred to their position and stressed that precisely because they are numerically the smallest group there is need for constant concern for employment for then and their greater participation in self-managing, delegate and other political organs. The fact that all the Croatians who live in this area are more mobile and that the majority of them earn their living outside the province cannot serve as an argument in favor of failing to pursue a conscious policy aimed at providing broader employment prospects for them within the framework of the municipality's total development, because this municipality is their community as well. They must be able to see prospects for themselves in it both as citizens and as Croatians.

The same yardstick equally applies in all these questions to Albanians, for instance, who work and live in any part of Yugoslavia. Both where they are numerous and where there are few of them, they are entitled to be involved on an equal footing in the process of work and in the total self-managing and social life of their environment. They are entitled to see these communities as their own communities which offer them prospects both as citizens and as Albanians.

Stressing the significance of the development of self-managment and of democratic life for the successful attainment of national equality with the help of the active and conscious activity of the League of Communists, Bakali also said: "A democracy which fails to involve members of all the nations and nationalities of an environment in self-managing organs, in leading offices, in self-managing delegate and political life on an even basis and on an equal footing is a nondemocracy, and the League of Communists must, by means of conscious policy and action, prevent any attempt to impose views through the sheer weight of numbers of a nationality. This is in fact nationalism."